UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2019

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number: 001-36204

Energy Fuels Inc.

(Exact Name of Registrant as Specified in its Charter)

Ontario	**98-1067994**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
225 Union Blvd., Suite 600	
Lakewood, Colorado	**80228**
(Address of Principal Executive Offices)	(Zip Code)

(303) 974-2140
(Registrant's Telephone Number, including Area Code)

Indicate by checkmark whether the registrant (1) filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.
Yes [X] No [ ]

Indicate by check mark whether the Registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).
Yes [X] No [ ]

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "Accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act (Check one):

Large Accelerated Filer [ ] Accelerated Filer [X] Non-Accelerated Filer [ ] Smaller Reporting Company [ ]

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act):
Yes [ ] No [X]

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practical date:
93,495,991 common shares, without par value, outstanding as of May 7, 2019.

ENERGY FUELS INC.
FORM 10-Q
For the Quarter Ended March 31, 2019
INDEX

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report and the exhibits attached hereto (the "Quarterly Report") contain "forward-looking statements" within the meaning of applicable US and Canadian securities laws. Such forward-looking statements concern Energy Fuels Inc.'s (the "Company" or "Energy Fuels") anticipated results and progress of the Company's operations in future periods, planned exploration, and, if warranted, development of its properties, plans related to its business, and other matters that may occur in the future. These statements relate to analyses and other information that are based on forecasts of future results, estimates of amounts not yet determinable and assumptions of management.

Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, schedules, assumptions, future events, or performance (often, but not always, using words or phrases such as "expects" or "does not expect," "is expected," "anticipates" or "does not anticipate," "plans," "estimates" or "intends," or stating that certain actions, events or results "may," "could," "would," "might," or "will" be taken, occur or be achieved) are not statements of historical fact and may be forward-looking statements.

Forward-looking statements are based on the opinions and estimates of management as of the date such statements are made. Energy Fuels believes that the expectations reflected in these forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct, and such forward-looking statements included in, or incorporated by reference into, this Quarterly Report should not be unduly relied upon. This information speaks only as of the date of this Quarterly Report.

Readers are cautioned that it would be unreasonable to rely on any such forward-looking statements and information as creating any legal rights, and that the statements and information are not guarantees and may involve known and unknown risks and uncertainties, and that actual results are likely to differ (and may differ materially) and objectives and strategies may differ or change from those expressed or implied in the forward-looking statements or information as a result of various factors. Such risks and uncertainties include risks generally encountered in the exploration, development, operation, and closure of mineral properties and processing facilities. Forward-looking statements are subject to a variety of known and unknown risks, uncertainties and other factors which could cause actual events or results to differ from those expressed or implied by the forward-looking statements, including, without limitation:

- risks associated with mineral reserve and resource estimates, including the risk of errors in assumptions or methodologies;
- risks associated with estimating mineral extraction and recovery, forecasting future price levels necessary to support mineral extraction and recovery, and the Company's ability to increase mineral extraction and recovery in response to any increases in commodity prices or other market conditions;
- uncertainties and liabilities inherent to conventional mineral extraction and recovery and/or in-situ uranium recovery operations;
- geological, technical and processing problems, including unanticipated metallurgical difficulties, less than expected recoveries, ground control problems, process upsets, and equipment malfunctions;
- risks associated with the depletion of existing mineral resources through mining or extraction, without replacement with comparable resources;
- risks associated with identifying and obtaining adequate quantities of alternate feed materials and other feed sources required for operation of the White Mesa Mill;
- risks associated with labor costs, labor disturbances, and unavailability of skilled labor;
- risks associated with the availability and/or fluctuations in the costs of raw materials and consumables used in the Company's production processes;
- risks associated with environmental compliance and permitting, including those created by changes in environmental legislation and regulation, and delays in obtaining permits and licenses that could impact expected mineral extraction and recovery levels and costs;
- actions taken by regulatory authorities with respect to mineral extraction and recovery activities;
- risks associated with the Company's dependence on third parties in the provision of transportation and other critical services;
- risks associated with the ability of the Company to extend or renew land tenure, including mineral leases and surface use agreements, on favorable terms or at all;
- risks associated with the ability of the Company to negotiate access rights on certain properties on favorable terms or at all;
- the adequacy of the Company's insurance coverage;
- uncertainty as to reclamation and decommissioning liabilities;

- the ability of the Company's bonding companies to require increases in the collateral required to secure reclamation obligations;
- the potential for, and outcome of, litigation and other legal proceedings, including potential injunctions pending the outcome of such litigation and proceedings;
- the ability of the Company to meet its obligations to its creditors;
- risks associated with paying off indebtedness at its maturity;
- risks associated with the Company's relationships with its business and joint venture partners;
- failure to obtain industry partner, government, and other third party consents and approvals, when required;
- competition for, among other things, capital, mineral properties, and skilled personnel;
- failure to complete proposed acquisitions and incorrect assessments of the value of completed acquisitions;
- risks posed by fluctuations in share price levels, exchange rates and interest rates, and general economic conditions;
- risks inherent in the Company's and industry analysts' forecasts or predictions of future uranium and vanadium price levels;
- fluctuations in the market prices of uranium, vanadium and copper, which are cyclical and subject to substantial price fluctuations;
- risks associated with the Company's uranium sales, if any, being required to be made at spot prices, unless the Company is able to enter into new long-term contracts at satisfactory prices in the future;
- risks associated with the Company's vanadium sales, if any, generally being required to be made at spot prices;
- failure to obtain suitable uranium sales terms at satisfactory prices in the future, including spot and term sale contracts;
- failure to obtain suitable vanadium sales terms at satisfactory prices in the future;
- risks associated with asset impairment as a result of market conditions;
- risks associated with lack of access to markets and the ability to access capital;
- the market price of Energy Fuels' securities;
- public resistance to nuclear energy or uranium extraction and recovery;
- risks associated with inaccurate or nonobjective media coverage of the Company's activities and the impact such coverage may have on the public, the market for the Company's securities, government relations, permitting activities and legal challenges, as well as the costs to the Company of responding to such coverage;
- uranium industry competition, international trade restrictions and the impacts on world commodity prices of foreign state subsidized production;
- risks associated with the Company's involvement in industry petitions for trade remedies, including the costs of pursuing such remedies and the potential for negative responses or repercussions from various interest groups, consumers of uranium and participants in other phases of the nuclear fuel cycle;
- risks related to potentially higher than expected costs related to any of the Company's projects or facilities;
- risks associated with the Company's ability to recover vanadium from pond solutions at the White Mesa Mill, with potentially higher than expected costs for any such recoveries, and the Company's ability to sell any recovered vanadium at satisfactory price levels;
- risks related to the Company's ability to recover copper from our Canyon uranium project ores;
- risks related to securities regulations;
- risks related to stock price and volume volatility;
- risks related to our ability to maintain our listing on the NYSE American and Toronto Stock Exchanges;
- risks related to our ability to maintain our inclusion in various stock indices;
- risks related to dilution of currently outstanding shares, from additional share issuances, depletion of assets or otherwise;
- risks related to our lack of dividends;
- risks related to recent market events;
- risks related to our issuance of additional common shares under our At-the-Market ("**ATM**") program or otherwise to provide adequate liquidity in depressed commodity market circumstances;
- risks related to acquisition and integration issues;
- risks related to defects in title to our mineral properties;
- risks related to our outstanding debt; and
- risks related to our securities.

This list is not exhaustive of the factors that may affect our forward-looking statements. Some of the important risks and uncertainties that could affect forward-looking statements are described further under the section heading: Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations of this Quarterly Report. Although we have attempted to identify important factors that could cause actual results to differ materially from those described in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those anticipated, believed, estimated, or expected. We caution readers not to place undue reliance on any such forward-looking statements, which speak only as of the date made. Except as required by law, we disclaim any obligation to subsequently revise any forward-looking statements to reflect events or circumstances after the date of such statements or to reflect the occurrence of anticipated or unanticipated events. Statements relating to "Mineral Reserves" or "Mineral Resources" are deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions that the Mineral Reserves and Mineral Resources described may be profitably extracted in the future.

We qualify all the forward-looking statements contained in this Quarterly Report by the foregoing cautionary statements.

Cautionary Note to United States Investors Concerning Disclosure of Mineral Resources

The Company is a U.S. Domestic Issuer for United States Securities and Exchange Commission ("SEC") purposes, most of its shareholders are U.S. residents and its primary trading market is the NYSE American. However, because the Company is incorporated in Canada and also listed on the Toronto Stock Exchange ("TSX"), this Quarterly Report contains certain disclosure that satisfies the additional requirements of Canadian securities laws, which differ from the requirements of United States' securities laws. Unless otherwise indicated, all reserve and resource estimates included in this Quarterly Report, and in the documents incorporated by reference herein, have been prepared in accordance with Canadian National Instrument 43-101 - *Standards of Disclosure for Mineral Projects* ("NI 43-101") and the Canadian Institute of Mining, Metallurgy and Petroleum ("CIM") classification system. NI 43-101 is a rule developed by the Canadian Securities Administrators (the "CSA") which establishes standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects.

Canadian standards, including NI 43-101, differ significantly from the requirements of SEC Industry Guide 7, and reserve and resource information contained herein, or incorporated by reference in this Quarterly Report, and in the documents incorporated by reference herein, may not be comparable to similar information disclosed by companies reporting reserve and resource information under SEC Industry Guide 7. In particular, and without limiting the generality of the foregoing, the term "resource" does not equate to the term "reserve" under SEC Industry Guide 7. Under SEC Industry Guide 7 standards, mineralization may not be classified as a "reserve" unless the determination has been made that the mineralization could be economically and legally produced or extracted at the time the reserve determination is made. Under SEC Industry Guide 7 standards, a "final" or "bankable" feasibility study is required to report reserves; the three-year historical average price, to the extent possible, is used in any reserve or cash flow analysis to designate reserves; and the primary environmental analysis or report must be filed with the appropriate governmental authority.

SEC Industry Guide 7 disclosure standards historically have not permitted the inclusion of information concerning "Measured Mineral Resources," "Indicated Mineral Resources" or "Inferred Mineral Resources" or other descriptions of the amount of mineralization in mineral deposits that do not constitute "reserves" by SEC Industry Guide 7 standards. United States investors should also understand that "Inferred Mineral Resources" have a great amount of uncertainty as to their existence and as to their economic and legal feasibility. It cannot be assumed that all or any part of an "Inferred Mineral Resource" will ever be upgraded to a higher category. Under Canadian rules, estimated "Inferred Mineral Resources" may not form the basis of feasibility or pre-feasibility studies. **United States investors are cautioned not to assume that all or any part of Measured or Indicated Mineral Resources will ever be converted into mineral reserves. Investors are cautioned not to assume that all or any part of an "Inferred Mineral Resource" exists or is economically or legally mineable.**

Disclosure of "contained pounds" or "contained ounces" in a resource estimate is permitted and typical disclosure under Canadian regulations; however, SEC Industry Guide 7 historically only permitted issuers to report mineralization that does not constitute "reserves" by SEC standards as in-place tonnage and grade without reference to unit measures. The requirements of NI 43-101 for identification of "reserves" are also not the same as those of SEC Industry Guide 7, and reserves reported by the Company in compliance with NI 43-101 may not qualify as "reserves" under SEC Industry Guide 7 standards. Accordingly, information concerning mineral deposits set forth herein may not be comparable to information made public by companies that report in accordance with SEC Industry Guide 7 standards.

On October 31, 2018, the SEC adopted the Modernization of Property Disclosures for Mining Registrants (the "New Rule"), introducing significant changes to the existing mining disclosure framework to better align it with international industry and regulatory practice including NI 43-101. The SEC adopted a two-year transition period for registrants to come into compliance with the New Rule. Accordingly, the Company will need to bring its disclosure into compliance in 2021. At this time, the Company does not know the full effect of the New Rule on its mineral resources and reserves and therefore the disclosure related to the Company's mineral resources and reserves may be significantly different when computed using the requirements set forth in the New Rule.

PART I

ITEM 1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS.

ENERGY FUELS INC.
Condensed Consolidated Statements of Operations and Comprehensive Loss
(unaudited) (Expressed in thousands of US dollars, except per share amounts)

	For the three months ended March 31,	
	2019	2018
Revenues		
Uranium concentrates	$ —	$ 1,238
Vanadium concentrates	1,168	—
Alternate feed materials processing and other	502	16
Total revenues	**1,670**	1,254
Costs and expenses applicable to revenues		
Costs and expenses applicable to uranium concentrates	—	1,238
Costs and expenses applicable to vanadium concentrates	532	—
Costs and expenses applicable to alternate feed materials and other	384	—
Total costs and expenses applicable to revenues	**916**	1,238
Other operating costs		
Impairment of inventories	1,176	1,010
Development, permitting and land holding	4,342	1,600
Standby costs	1,084	2,512
Accretion of asset retirement obligation	513	459
Selling costs	10	65
General and administration	3,751	4,770
Total operating loss	**(10,122)**	(10,400)
Interest expense	(329)	(492)
Other (loss) income	(1,683)	63
Net loss	**(12,134)**	(10,829)
Items that may be reclassified in the future to profit and loss		
Foreign currency translation adjustment	(136)	(463)
Unrealized loss on available-for-sale assets	—	(224)
Other comprehensive loss	**(136)**	(687)
Comprehensive loss	**$ (12,270)**	$ (11,516)
Net loss attributable to:		
Owners of the Company	**$ (12,127)**	$ (10,822)
Non-controlling interests	(7)	(7)
	$ (12,134)	$ (10,829)
Comprehensive loss attributable to:		
Owners of the Company	**$ (12,263)**	$ (11,509)
Non-controlling interests	(7)	(7)
	$ (12,270)	$ (11,516)
Basic and diluted loss per share	**$ (0.13)**	$ (0.14)

See accompanying notes to the condensed consolidated financial statements.

ENERGY FUELS INC.
Condensed Consolidated Balance Sheets
(unaudited)(Expressed in thousands of US dollars, except share amounts)

	March 31, 2019	December 31, 2018
ASSETS		
Current assets		
Cash and cash equivalents	**$ 15,310**	$ 14,640
Marketable securities	**17,454**	27,061
Trade and other receivables, net	**864**	1,191
Inventories, net	**19,138**	16,550
Prepaid expenses and other assets	**1,257**	1,411
Total current assets	**54,023**	60,853
Inventories, net	**1,772**	1,772
Operating lease right of use asset	**1,142**	—
Investments accounted for at fair value	**1,166**	1,107
Plant, property and equipment, net	**29,017**	29,843
Mineral properties, net	**83,539**	83,539
Restricted cash	**19,682**	19,652
Total assets	**$ 190,341**	$ 196,766
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	**$ 6,222**	$ 7,921
Current portion of operating lease liability	**275**	—
Current portion of warrant liabilities	**—**	662
Current portion of asset retirement obligation	**270**	270
Total current liabilities	**6,767**	8,853
Warrant liabilities	**7,142**	5,621
Operating lease liability	**954**	—
Deferred revenue	**2,223**	2,724
Asset retirement obligation	**19,347**	18,834
Loans and borrowings	**17,640**	15,880
Total liabilities	**54,073**	51,912
Equity		
Share capital Common shares, without par value, unlimited shares authorized; shares issued and outstanding 93,102,682 at March 31, 2019 and 91,445,066 at December 31, 2018	**472,987**	469,303
Accumulated deficit	**(344,185)**	(332,058)
Accumulated other comprehensive income	**3,707**	3,843
Total shareholders' equity	**132,509**	141,088
Non-controlling interests	**3,759**	3,766
Total equity	**136,268**	144,854
Total liabilities and equity	**$ 190,341**	$ 196,766
Commitments and contingencies (Note 14)		

See accompanying notes to the condensed consolidated financial statements.

ENERGY FUELS INC.
Condensed Consolidated Statements of Changes in Equity
(unaudited)(Expressed in thousands of US dollars, except share amounts)

	Common Stock		Deficit	Accumulated other comprehensive income	Total shareholders' equity	Non-controlling interests	Total equity
	Shares	Amount					
Balance at December 31, 2018	**91,445,066**	**$ 469,303**	**$ (332,058)**	**$ 3,843**	**$ 141,088**	**$ 3,766**	**$ 144,854**
Net loss	—	—	(12,127)	—	(12,127)	(7)	(12,134)
Other comprehensive loss	—	—	—	(136)	(136)	—	(136)
Shares issued for cash by at-the-market offering	754,712	2,471	—	—	2,471	—	2,471
Share issuance cost	—	(62)	—	—	(62)	—	(62)
Share-based compensation	—	1,121	—	—	1,121	—	1,121
Shares issued for exercise of stock options	33,906	102	—	—	102	—	102
Shares issued for the vesting of restricted stock units	850,150	—	—	—	—	—	—
Shares issued for consulting services	18,848	52	—	—	52	—	52
Balance at March 31, 2019	**93,102,682**	**$ 472,987**	**$ (344,185)**	**$ 3,707**	**$ 132,509**	**$ 3,759**	**$ 136,268**

	Common Stock		Deficit	Accumulated other comprehensive income	Total shareholders' equity	Non-controlling interests	Total equity
	Shares	Amount					
Balance at December 31, 2017	74,366,824	$ 430,383	$ (306,813)	$ 2,289	$ 125,859	$ 3,883	$ 129,742
Net loss	—	—	(10,822)	—	(10,822)	(7)	(10,829)
Other comprehensive loss	—	—	—	(687)	(687)	—	(687)
Shares issued for cash by at-the-market offering	711,253	1,176	—	—	1,176	—	1,176
Share issuance cost	—	(29)	—	—	(29)	—	(29)
Share-based compensation	—	1,202	—	—	1,202	—	1,202
Shares issued for the vesting of restricted stock units	899,192	—	—	—	—	—	—
Cash paid to fund employee income tax withholding due upon vesting of restricted stock units	—	(914)	—	—	(914)	—	(914)
Balance at March 31, 2018	75,977,269	$ 431,818	$ (317,635)	$ 1,602	$ 115,785	$ 3,876	$ 119,661

See accompanying notes to the condensed consolidated financial statements.

ENERGY FUELS INC.
Condensed Consolidated Statements of Cash Flows
(unaudited)(Expressed in thousands of US dollars)

	For the three months ended March 31,	
	2019	2018
OPERATING ACTIVITIES		
Net loss for the period	**$ (12,134)**	$ (10,829)
Items not involving cash:		
Depletion, depreciation and amortization	**314**	327
Stock-based compensation	**1,121**	1,202
Change in value of convertible debentures	**1,436**	145
Change in value of warrant liabilities	**732**	(364)
Accretion of asset retirement obligation	**513**	459
Unrealized foreign exchange losses	**500**	(1,148)
Impairment of inventories	**1,176**	1,010
Other non-cash expenses	**90**	688
Changes in assets and liabilities		
Increase in inventories	**(3,252)**	(775)
Decrease (Increase) in trade and other receivables	**329**	(952)
Decrease in prepaid expenses and other assets	**154**	224
Decrease in accounts payable and accrued liabilities	**(2,031)**	(1,797)
Cash paid for reclamation and remediation activities	**—**	(23)
Changes in deferred revenue	**(501)**	—
	(11,553)	(11,833)
INVESTING ACTIVITIES		
Purchase of mineral properties and plant, property and equipment	**—**	(14)
Maturities and sales of marketable securities	**9,950**	—
	9,950	(14)
FINANCING ACTIVITIES		
Issuance of common shares for cash, net of issuance cost	**2,409**	1,147
Cash paid to fund employee income tax withholding due upon vesting of restricted stock units	**—**	(914)
Repayment of loans and borrowings	**—**	(836)
Cash received from exercise of stock option	**102**	—
	2,511	(603)
CHANGE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH DURING THE PERIOD	**908**	(12,450)
Effect of exchange rate fluctuations on cash held in foreign currencies	**(208)**	(56)
Cash, cash equivalents and restricted cash - beginning of period	**34,292**	40,701
CASH, CASH EQUIVALENTS AND RESTRICTED CASH - END OF PERIOD	**$ 34,992**	$ 28,195
Supplemental disclosure of cash flow information:		
Net cash paid during the period for:		
Interest	**$ —**	$ 156

See accompanying notes to the condensed consolidated financial statements.

1. THE COMPANY AND DESCRIPTION OF BUSINESS

Energy Fuels Inc. was incorporated under the laws of the Province of Alberta and was continued under the Business Corporations Act (Ontario).

Energy Fuels Inc. and its subsidiary companies (collectively "the Company" or "EFI") are engaged in uranium extraction, recovery and sales of uranium from mineral properties and the recycling of uranium bearing materials generated by third parties. As a part of these activities the Company also acquires, explores, evaluates and, if warranted, permits uranium properties. The Company's final uranium product, uranium oxide concentrates ("U_3O_8" or "uranium concentrates"), is sold to customers for further processing into fuel for nuclear reactors. The Company produces vanadium as a co-product of its uranium recovery from certain of its mines as market conditions warrant and from time to time from solutions in its tailing impoundment system.

The Company is an exploration stage mining company as defined by the United States ("U.S.") Securities and Exchange Commission ("SEC") Industry Guide 7 ("SEC Industry Guide 7") as it has not established the existence of proven or probable reserves on any of our properties.

2. BASIS OF PRESENTATION

The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States ("US GAAP") and are presented in thousands of US dollars ("USD") except per share amounts. Certain footnote disclosures have share prices which are presented in Canadian dollars ("Cdn$").

The condensed consolidated financial statements included herein have been prepared by the Company, without audit, pursuant to the rules and regulations of the SEC. Certain information and note disclosures normally included in financial statements prepared in accordance with US GAAP have been condensed or omitted pursuant to such rules and regulations, although the Company believes that the disclosures included are adequate to make the information presented not misleading.

In management's opinion, these unaudited condensed consolidated financial statements reflect all adjustments, consisting solely of normal recurring items, which are necessary for the fair presentation of the Company's financial position, results of operations and cash flows on a basis consistent with that of the Company's audited consolidated financial statements for the year ended December 31, 2018. However, the results of operations for the interim periods may not be indicative of results to be expected for the full fiscal year. These unaudited condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto and summary of significant accounting policies included in the Company's annual report on Form 10-K for the year ended December 31, 2018 with the following addition to the inventory policy included below.

Inventories

In-process and concentrate inventories include the cost of the material processed from the stockpile, as well as production costs incurred to extract uranium bearing fluids from the wellfields, and all costs to recover the uranium into concentrates, recover vanadium concentrates from pond solutions or process through the White Mesa Mill. Finished uranium or vanadium concentrate inventories also include costs of any finished product purchased from the market. Recovery costs typically include labor, chemical reagents and directly attributable mill and plant overhead expenditures.

The condensed consolidated financial statements include the accounts of the Company and its subsidiaries. All inter-company accounts and transactions have been eliminated.

3. MARKETABLE SECURITIES

The following table summarizes our marketable securities by significant investment categories as of March 31, 2019:

	Cost Basis	Gross Unrealized losses	Gross Unrealized gains	Fair Value
Marketable debt securities[1]	$ 16,070	$ —	$ 116	$ 16,186
Marketable equity securities	948	(571)	891	1,268
Marketable securities	**$ 17,018**	**$ (571)**	**$ 1,007**	**$ 17,454**

(1) Marketable debt securities are comprised primarily of U.S. government notes, and also includes U.S. government agencies and tradeable certificates of deposits.

The following table summarizes our marketable securities by significant investment categories as of December 31, 2018:

	Cost Basis	Gross Unrealized losses	Gross Unrealized gains	Fair Value
Marketable debt securities [1]	$ 25,523	$ (5)	$ 83	$ 25,601
Marketable equity securities	1,062	(549)	947	1,460
Marketable securities	**$ 26,585**	**$ (554)**	**$ 1,030**	**$ 27,061**

(1) Marketable debt securities are comprised primarily of U.S. government notes, and also includes U.S. government agencies, and tradeable certificates of deposits.

During the three months ended March 31, 2019 and 2018, we did not recognize any significant other-than-temporary impairment losses.

The following table summarizes the estimated fair value of our investments in marketable debt securities with stated contractual maturity dates, accounted for as available-for-sale securities and classified by the contractual maturity date of the securities:

Due in less than 12 months	**$ 13,051**
Due in 12 months to two years	**3,135**
Due in greater than two years	**—**
	$ 16,186

4. INVENTORIES

	March 31, 2019	December 31, 2018
Concentrates and work-in-progress	**$ 16,683**	$ 14,746
Inventory of ore in stockpiles	**1,139**	883
Raw materials and consumables	**3,088**	2,693
	$ 20,910	$ 18,322
Inventories - by duration		
Current	**$ 19,138**	$ 16,550
Long term - raw materials and consumables	**1,772**	1,772
	$ 20,910	$ 18,322

5. PLANT AND EQUIPMENT AND MINERAL PROPERTIES

The following is a summary of plant and equipment:

	March 31, 2019			December 31, 2018		
	Cost	**Accumulated Depreciation**	**Net Book Value**	Cost	Accumulated Depreciation	Net Book Value
Plant and equipment						
Nichols Ranch	**$ 29,210**	**$ (12,533)**	**$ 16,677**	$ 29,210	$ (12,021)	$ 17,189
Alta Mesa	**13,656**	**(2,552)**	**11,104**	13,656	(2,319)	11,337
Equipment and other	**13,444**	**(12,208)**	**1,236**	13,444	(12,127)	1,317
Plant and equipment total	**$ 56,310**	**$ (27,293)**	**$ 29,017**	$ 56,310	$ (26,467)	$ 29,843

The following is a summary of mineral properties:

	March 31, 2019	December 31, 2018
Mineral properties		
Uranerz ISR properties	**$ 25,974**	$ 25,974
Sheep Mountain	**34,183**	34,183
Roca Honda	**22,095**	22,095
Other	**1,287**	1,287
Mineral properties total	**$ 83,539**	$ 83,539

6. ASSET RETIREMENT OBLIGATIONS AND RESTRICTED CASH

The following table summarizes the Company's asset retirement obligations:

	March 31, 2019	December 31, 2018
Asset retirement obligation, beginning of period	**$ 19,104**	$ 18,280
Revision of estimate	**—**	(662)
Accretion of liabilities	**513**	1,835
Settlements	**—**	(349)
Asset retirement obligation, end of period	**$ 19,617**	$ 19,104
Asset retirement obligation:		
Current	**$ 270**	$ 270
Non-current	**19,347**	18,834
Asset retirement obligation, end of period	**$ 19,617**	$ 19,104

The asset retirement obligations of the Company are subject to legal and regulatory requirements. Estimates of the costs of reclamation are reviewed periodically by the Company and the applicable regulatory authorities. The above provision represents the Company's best estimate of the present value of future reclamation costs, discounted using credit adjusted risk-free interest rates ranging from 9.5% to 11.5% and an inflation rate of 2.0%. The total undiscounted decommissioning liability at March 31, 2019 is $41.32 million (December 31, 2018 - $41.32 million).

The following table summarizes the Company's restricted cash:

	March 31, 2019	December 31, 2018
Restricted cash, beginning of period	**$ 19,652**	$ 22,127
Additional collateral posted	**—**	117
Refunds of collateral	**30**	(2,592)
Restricted cash, end of period	**$ 19,682**	$ 19,652

The Company has cash, cash equivalents and fixed income securities as collateral for various bonds posted in favor of the applicable state regulatory agencies in Arizona, Colorado, New Mexico, Texas, Utah and Wyoming, and the U.S. Bureau of Land Management and U.S. Forest Service for estimated reclamation costs associated with the White Mesa Mill, Nichols Ranch, Alta Mesa and other mining properties. Cash equivalents are short-term highly liquid investments with original maturities of three months or less. The restricted cash will be released when the Company has reclaimed a mineral property or restructured the surety and collateral arrangements. See Note 14 for a discussion of the Company's surety bond commitments.

Cash, cash equivalents and restricted cash are included in the following accounts at March 31, 2019 and December 31, 2018:

	March 31, 2019	December 31, 2018
Cash and cash equivalents	**$ 15,310**	$ 14,640
Restricted cash included in other long-term assets	**19,682**	19,652
Total cash, cash equivalents and restricted cash	**$ 34,992**	$ 34,292

7. LOANS AND BORROWINGS

The Company's convertible debentures which are measured at fair value, are $17.64 million and $15.88 million as of March 31, 2019 and December 31, 2018, respectively.

On July 24, 2012, the Company completed a bought deal public offering of 22,000 floating-rate convertible unsecured subordinated debentures originally maturing June 30, 2017 (the "Debentures") at a price of Cdn$1,000 per Debenture for gross proceeds of Cdn $21.55 million (the "Offering"). The Debentures are convertible into Common Shares at the option of the holder. Interest is paid in cash and in addition, unless an event of default has occurred and is continuing, the Company may elect, from time to time, subject to applicable regulatory approval, to satisfy its obligation to pay interest on the Debentures, on the date it is payable under the indenture: (i) in cash; (ii) by delivering sufficient common shares to the debenture trustee, for sale, to satisfy the interest obligations in accordance with the indenture in which event holders of the Debentures will be entitled to receive a cash payment equal to the proceeds of the sale of such common shares; or (iii) any combination of (i) and (ii).

On August 4, 2016, the Company, by a vote of the Debentureholders, extended the maturity date of the Debentures from June 30, 2017 to December 31, 2020, and reduced the conversion price of the Debentures from Cdn$15.00 to Cdn$4.15 per Common Share of the Company. In addition, a redemption provision was added that will enable the Company, upon giving not less than 30 days' notice to Debentureholders, to redeem the Debentures, for cash, in whole or in part at any time after June 30, 2019, but prior to maturity, at a price of 101% of the aggregate principal amount redeemed, plus accrued and unpaid interest (less any tax required by law to be deducted) on such Debentures up to but excluding the redemption date. A right (in favor of each Debentureholder) was also added which gave the Debentureholders the option to require the Company to purchase, for cash, on the previous maturity date of June 30, 2017, up to 20% of the Debentures held by the Debentureholders at a price equal to 100% of the principal amount purchased plus accrued and unpaid interest (less any tax required by law to be deducted). In the three months ended June 30, 2017, Debentureholders elected to redeem Cdn$1.13 million ($0.87 million) under this right. No additional purchases are allowed under this right. In addition, certain other amendments were made to the Indenture, as required by the U.S. Trust Indenture Act of 1939, as amended, and with respect to the addition of a U.S. Trustee in compliance therewith, as well as to remove provisions of the Indenture that no longer apply, such as U.S. securities law restrictions.

The Debentures accrue interest, payable semi-annually in arrears on June 30 and December 31 of each year at a fluctuating rate of not less than 8.5% and not more than 13.5%, indexed to the simple average spot price of uranium as reported on the UxC, LLC ("UxC") Weekly Indicator Price. The Debentures may be redeemed in whole or part, at par plus accrued interest and unpaid interest by the Company between June 30, 2019 and December 31, 2020 subject to certain terms and conditions, provided the volume weighted average trading price of the common shares of the Company on the Toronto Stock Exchange ("TSX") during the 20

consecutive trading days ending five days preceding the date on which the notice of redemption is given is not less than 125% of the conversion price.

Upon redemption or at maturity, the Company will repay the indebtedness represented by the Debentures by paying to the debenture trustee in Canadian dollars an amount equal to the aggregate principal amount of the outstanding Debentures which are to be redeemed or which have matured, as applicable, together with accrued and unpaid interest thereon.

Subject to any required regulatory approval and provided no event of default has occurred and is continuing, the Company has the option to satisfy its obligation to repay the Cdn$1,000 principal amount of the Debentures, in whole or in part, due at redemption or maturity, upon at least 40 days' and not more than 60 days' prior notice, by delivering that number of common shares obtained by dividing the Cdn$1,000 principal amount of the Debentures maturing or to be redeemed as applicable, by 95% of the volume-weighted average trading price of the common shares on the TSX during the 20 consecutive trading days ending five trading days preceding the date fixed for redemption or the maturity date, as the case may be.

The Debentures are classified as fair value through profit or loss where the Debentures are measured at fair value based on the closing price on the TSX (a Level 1 measurement) and changes are recognized in earnings. For the three months ended March 31, 2019 the Company recorded a gain on revaluation of convertible Debentures of $1.44 million (March 31, 2018 – gain of $0.15 million for the three months ended).

8. LEASES

Effective January 1, 2019, the Company adopted ASU No. 2016-02, *Leases*, and the series of related Accounting Standards Updates that followed (collectively referred to as "ASC 842"). Most prominent among the changes in the standard is the recognition of right-of-use ("ROU") assets and lease liabilities by lessees for those leases classified as operating leases. The accounting for leases where the Company is the lessor remains largely unchanged. In addition, the new standard requires additional qualitative and quantitative disclosures to enable users of financial statements to assess the amount, timing and uncertainty of cash flows arising from leases.

The Company adopted the new standard using the modified retrospective approach with a cumulative effect adjustment on January 1, 2019. Prior comparative periods have not been restated and continue to be reported under the accounting standard in effect for those periods (ASC 840). The Company elected the package of practical expedients permitted under the transition guidance, which among other things, allows us to carry-forward historical lease classifications. The Company also elected the practical expedient to not separate lease components from nonlease components for all asset classes, and we elected the short-term lease recognition exemption whereby ROU assets and lease liabilities will not be recognized for leasing arrangements with terms less than one year.

The adoption of the new standard resulted in the recognition of operating lease ROU assets of $1.14 million, current operating lease liabilities of $0.27 million, and noncurrent operating lease liabilities of $0.96 million. Adoption of this standard had no impact on the statement of operations or retained earnings.

Lessee

The Company's leases primarily include operating leases for corporate offices. These leases have a remaining lease term of less than one year to four years, and include options to extend the leases for up to five years. Certain of our leases include variable payments for lessor operating expenses that are not included within ROU assets and lease liabilities in the Condensed Consolidated Balance Sheets. The Company's lease agreements do not contain any material residual value guarantees or restrictive covenants. We also sublease office space to a third party, which has a remaining term of less than one year.

Beginning January 1, 2019, operating ROU assets and operating lease liabilities are recognized based on the present value of lease payments over the lease term at commencement date. Operating leases in effect prior to January 1, 2019 were recognized at the present value of the remaining payments on the remaining lease term as of January 1, 2019. Because most of the Company's leases do not provide an explicit rate of return, the Company's incremental secured borrowing rate based on lease term information available at the commencement date of the lease will be used in determining the present value of lease payments. For purposes of calculating operating lease liabilities, lease terms may be deemed to include options to extend or terminate the lease when it is reasonably certain that we will exercise that option. The Company's operating lease expense is recognized on a straight-line basis over the lease term and is recorded in General and administration expenses. Short-term leases, which have an initial term of 12 months or less, are not recorded in the condensed Consolidated Balance Sheets.

Total lease cost includes the following components:

	Three months ended March 31, 2019
Operating leases	$ 105
Short-term leases	61
Sublease income	(28)
Total lease expense	$ 138

Total lease expense was $0.17 million for the three months ended March 31, 2018.

The weighted average remaining lease term and weighted average discount rate were as follows:

	Three months ended March 31, 2019
Weighted average remaining lease term of operating leases	3.9 years
Weighted average discount rate of operating leases	9.00%

Supplemental cash flow information related to leases was as follows:

	Three months ended March 31, 2019
Operating cash flow information:	
Cash paid for amounts included in the measurement of operating lease liabilities	$ 82

Maturities of operating lease liabilities as of March 31, 2019 are as follows:

Years Ending December 31:	
2019 (excluding the three months ended March 31, 2019)	$ 289
2020	336
2021	343
2022	351
2023	147
Thereafter	—
Total Lease Payments	**$ 1,466**
Less: Interest	(237)
Present Value of Lease Liabilities	**$ 1,229**

9. CAPITAL STOCK

Authorized capital stock

The Company is authorized to issue an unlimited number of Common Shares without par value, unlimited Preferred Shares issuable in series, and unlimited Series A Preferred Shares. The Series A Preferred Shares issuable are non-redeemable, non-callable, non-voting and with no right to dividends. The Preferred Shares issuable in series will have the rights, privileges, restrictions and conditions assigned to the particular series upon the Board of Directors approving their issuance.

Issued capital stock

In the three months ended March 31, 2019, the Company issued 754,712 Common Shares under the Company's "at-the-market" offering (the "ATM") for net proceeds of $2.41 million.

Share Purchase Warrants

The following table summarizes the Company's share purchase warrants denominated in US dollars. These warrants are accounted for as derivative liabilities as the functional currency of the entity issuing the warrants, Energy Fuels Inc., is Canadian dollars.

Month Issued	Expiry Date	Exercise Price USD$	Warrants Outstanding	Fair value at March 31, 2019
September 2016 (a)	September 20, 2021	2.45	4,167,480	7,142

(a) The warrants issued in September 2016 are classified as Level 1 under the fair value hierarchy (Note 16).

On March 14, 2019, 2,328,925 warrants issued in March 2016 expired unexercised.

10. BASIC AND DILUTED LOSS PER COMMON SHARE

The calculation of basic and diluted earnings per share after adjustment for the effects of all potential dilutive common shares, is as follows:

	Three months ended March 31,	
	2019	2018
Loss attributable to shareholders	**$ (12,127)**	$ (10,822)
Basic and diluted weighted average number of common shares outstanding	**92,152,844**	75,209,456
Loss per common share	**$ (0.13)**	$ (0.14)

For the three months ended March 31, 2019, 5.85 million (March 31, 2018 - 9.04 million) options and warrants and the potential conversion of the Debentures have been excluded from the calculation as their effect would have been anti-dilutive.

11. SHARE-BASED PAYMENTS

The Company, under the 2018 Omnibus Equity Incentive Compensation Plan (the "Compensation Plan"), maintains a stock incentive plan for directors, executives, eligible employees and consultants. Stock incentive awards include employee stock options, restricted stock units ("RSUs") and stock appreciation rights ("SARs"). The Company issues new shares of common stock to satisfy exercises and vesting under all of its stock incentive awards. At March 31, 2019, a total of 9,310,268 Common Shares were authorized for stock incentive plan awards.

Employee Stock Options

The Company, under the Compensation Plan may grant options to directors, executives, employees and consultants to purchase Common Shares of the Company. The exercise price of the options is set as the higher of the Company's closing share price on the day before the grant date or the five-day volume weighted average price. Stock options granted under the Compensation Plan generally vest over a period of two years or more and are generally exercisable over a period of five years from the grant date not to exceed 10 years. The value of each option award is estimated at the grant date using the Black-Scholes Option Valuation Model. There were 0.35 million options granted in the three months ended March 31, 2019 (three months ended March 31, 2018 – 0.42 million options). At March 31, 2019, there were 1.68 million options outstanding with 1.40 million options exercisable, at a weighted average exercise price of $3.32 and $3.48 respectively, with a weighted average remaining contractual life of 3.69 years. The aggregate intrinsic value of the fully vested options was $0.90 million.

The fair value of the options granted under the Compensation Plan for the three months ended March 31, 2019 was estimated at the date of grant, using the Black-Scholes Option Valuation Model, with the following weighted-average assumptions:

Risk-free interest rate	2.620
Expected life	5.0 years
Expected volatility	59.4 *
Expected dividend yield	0.00%
Weighted-average expected life of option	5.00
Weighted-average grant date fair value	$1.54

* Expected volatility is measured based on the Company's historical share price volatility over a period equivalent to the expected life of the options.

The summary of the Company's stock options at March 31, 2019 and December 31, 2018, and the changes for the fiscal periods ending on those dates is presented below:

	Range of Exercise Prices	Weighted Average Exercise Price	Number of Options
Balance, December 31, 2017	$1.77 - $15.61	$ 4.48	2,028,847
Granted	1.70 - 2.88	1.75	442,956
Exercised	1.70 - 2.55	2.15	(355,092)
Forfeited	1.70 - 6.63	3.96	(213,393)
Expired	5.86 - 10.36	8.18	(170,564)
Balance, December 31, 2018	$1.70 - $15.61	$ 3.84	1,732,754
Granted	2.92	2.92	354,844
Exercised	1.70 - 2.88	2.40	(33,906)
Forfeited	4.44 - 7.42	4.78	(227,117)
Expired	6.77	6.77	(141,800)
Balance, March 31, 2019	**$1.70 - $15.61**	**$ 3.32**	**1,684,775**

A summary of the status and activity of non-vested stock options for the three months ended March 31, 2019 is as follows:

	Number of shares	Weighted Average Grant- Date Fair Value
Non-vested December 31, 2018	297,044	$ 1.06
Granted	354,844	1.54
Vested	(363,016)	1.31
Forfeited	—	—
Non-vested March 31, 2019	**288,872**	**$ 1.33**

Restricted Stock Units

The Company grants RSUs to executives and eligible employees. Awards are determined as a target percentage of base salary and generally vest over periods of three years. Prior to vesting, holders of restricted stock units do not have the right to vote the underlying shares. The RSUs are subject to forfeiture risk and other restrictions. Upon vesting, the employee is entitled to receive one share of the Company's common stock for each RSU for no additional payment. During the three months ended March 31, 2019, the Company's Board of Directors issued 0.72 million RSUs under the Compensation Plan (March 31, 2018 - 1.13 million).

A summary of the status and activity of non-vested RSUs at March 31, 2019 is as follows:

	RSU	
	Number of shares	Weighted Average Grant- Date Fair Value
Non-vested December 31, 2018	1,580,187	$ 1.99
Granted	721,750	2.92
Vested	(839,348)	1.99
Forfeited	(105,706)	2.24
Non-vested March 31, 2019	**1,356,882**	**$ 2.47**

The total intrinsic value and fair value of RSUs that vested and were settled for equity in the three months ended March 31, 2019 was $2.44 million (March 31, 2018 – $2.41 million).

Share Appreciation Rights

During the three months ended March 31, 2019, the Company's Board of Directors issued 2.20 million SARs under the Compensation Plan (March 31, 2018 - $nil) with a fair value of $1.25 per SAR. These SARs are intended to provide additional long-term performance-based equity incentives for the Corporation's senior management. The SARs are purely performance based, because they only vest upon the achievement of aggressive performance goals designed to significantly increase shareholder value.

Each SAR granted entitles the holder, on exercise, to a payment in cash or shares (at the election of the Corporation) equal to the difference between the market price of the Common Shares at the time of exercise and $2.92 (the market price at the time of grant) over a five-year period, but vest only upon the achievement of the following performance goals: as to one-third of the SARs granted upon the volume weighted average price ("**VWAP**") of the Common Shares on the NYSE American equaling or exceeding $5.00 for any continuous 90-calendar day period; as to an additional one-third of the SARs granted, upon the VWAP of the Corporation's common shares on the NYSE American equaling or exceeding $7.00 for any continuous 90 calendar-day period; and as to the final one-third of the SARs granted, upon the VWAP of the Corporation's common shares on the NYSE American equaling or exceeding $10.00 for any continuous 90 calendar-day period. Further, notwithstanding the foregoing vesting schedule, no SARs may be exercised by the holder for an initial period of one year from the Date of Grant; the date first exercisable being January 22, 2020.

The share-based compensation recorded during the three months ended March 31, 2019 was $1.12 million (three months ended March 31, 2018 - $1.20 million).

At March 31, 2019, there were $0.20 million, $1.64 million and $2.40 million of unrecognized compensation costs related to the unvested stock options, RSU awards and SARs, respectively. These costs are expected to be recognized over a period of approximately two years.

12. INCOME TAXES

As of March 31, 2019, the Company does not believe it is more likely than not that it will fully realize the benefit of the deferred tax assets. As such, the Company recognized a full valuation allowance against the net deferred tax assets as of March 31, 2019, and December 31, 2018.

13. SUPPLEMENTAL FINANCIAL INFORMATION

The components of other (loss) income are as follows:

	Three months ended March 31,	
	2019	2018
Interest income	**$ 111**	$ 50
Change in value of investments accounted for at fair value	**375**	(224)
Change in value of warrant liabilities	**(732)**	364
Change in value of convertible debentures	**(1,436)**	(145)
Sale of surplus assets	**—**	14
Other	**(1)**	4
Other (loss) income	**$ (1,683)**	$ 63

14. COMMITMENTS AND CONTINGENCIES

General legal matters

Other than routine litigation incidental to our business, or as described below, the Company is not currently a party to any material pending legal proceedings that management believes would be likely to have a material adverse effect on our financial position, results of operations or cash flows.

White Mesa Mill

In January 2013, the Ute Mountain Ute Tribe filed a Petition to Intervene and Request for Agency Action challenging the Corrective Action Plan approved by the State of Utah Department of Environmental Quality ("UDEQ") relating to nitrate contamination in the shallow aquifer at the White Mesa Mill site. This challenge is currently being evaluated, and may involve the appointment of an administrative law judge to hear the matter. The Company does not consider this action to have any merit. If the petition is successful, the likely outcome would be a requirement to modify or replace the existing Corrective Action Plan. At this time, the Company does not believe any such modification or replacement would materially affect our financial position, results of operations or cash flows. However, the scope and costs of remediation under a revised or replacement Corrective Action Plan have not yet been determined and could be significant.

On January 19, 2018, UDEQ renewed, and on February 16, 2018 reissued with minor corrections, the Company's White Mesa Mill license for another ten years, and Groundwater Discharge Permit for another five years, after which renewal periods further applications for renewal for the license and permit will need to be submitted. During the review period for each application for renewal, the Mill can continue to operate under its then existing license and permit until such time as the renewed license or permit is issued. In March 2018, the Grand Canyon Trust, Ute Mountain Ute Tribe and Uranium Watch served Petitions for Review challenging UDEQ's renewal of the license and permit. Then, in May and June 2018, Uranium Watch, the Grand Canyon Trust and the Ute Mountain Ute Tribe filed with UDEQ Requests for Appointment of an Administrative Law Judge, which they subsequently agreed to suspend pursuant to a Stipulation and Agreement with UDEQ, effective June 4, 2018. The Company has met with representatives from all parties in order to determine whether the pending administrative proceedings can be settled. Discussions are ongoing. The Company does not consider these challenges to have any merit. If the challenges are successful, the likely outcome would be a requirement to modify the renewed license and/or permit. At this time, the Company does not believe any such modification would materially affect our financial position, results of operations or cash flows.

Canyon Project

In March, 2013, the Center for Biological Diversity, the Grand Canyon Trust, the Sierra Club and the Havasupai Tribe (the "Canyon Plaintiffs") filed a complaint in the U.S. District Court for the District of Arizona (the "District Court") against the Forest Supervisor for the Kaibab National Forest and the U.S. Forest Services ("USFS") seeking an order (a) declaring that the USFS failed to comply with environmental, mining, public land, and historic preservation laws in relation to our Canyon Project, (b) setting aside any approvals regarding exploration and mining operations at the Canyon Project, and (c) directing operations to cease at the Canyon Project and enjoining the USFS from allowing any further exploration or mining-related activities at the Canyon Project until the USFS fully complies with all applicable laws. In April 2013, the Plaintiffs filed a Motion for Preliminary Injunction, which was denied by the District Court in September, 2013. On April 7, 2015, the District Court issued its final ruling on the merits in favor of the Defendants and the Company and against the Canyon Plaintiffs on all counts. The Canyon Plaintiffs appealed the District Court's ruling on the merits to the Ninth Circuit Court of Appeals, and filed motions for an injunction pending appeal with the

District Court. Those motions for an injunction pending appeal were denied by the District Court on May 26, 2015. Thereafter, Plaintiffs filed urgent motions for an injunction pending appeal with the Ninth Circuit Court of Appeals, which were denied on June 30, 2015.

The hearing on the merits at the Court of Appeals was held on December 15, 2016. On December 12, 2017, the Ninth Circuit Court of Appeals issued its ruling on the merits in favor of the Defendants and the Company and against the Canyon Plaintiffs on all counts. The Canyon Plaintiffs petitioned the Ninth Circuit Court of Appeals for a rehearing *en banc*. On October 25, 2018, the Ninth Circuit panel ruled on the petition for rehearing en banc. The panel withdrew its prior opinion and filed a new opinion, which affirmed with one exception the District Court's decision. The one exception relates to Plaintiffs' fourth claim, which was dismissed by the District Court for lack of standing. The Ninth Circuit panel reversed itself on its standing analysis, concluded that the Plaintiff's have standing to assert this claim and remanded the claim back to the District Court to hear the merits of Plaintiffs' claim. A schedule for briefing on the matter is expected to be set within the second quarter of 2019. If the Canyon Plaintiffs are successful on this claim, the Company may be required to maintain the Canyon Project on standby pending resolution of the matter. Such a required prolonged stoppage of mining activities could have a significant impact on our future operations.

On March 21, 2019, the Havasupai Tribe filed a Petition for a Writ of Certiorari regarding its claims in this matter with the Supreme Court of the United States, requesting that the Supreme Court hear this case. The petition was placed on the docket on March 25, 2019, and is currently under consideration by the Supreme Court. The Company does not expect the Supreme Court to grant the petition, as the Company believes the petition does not (i) raise an important federal question, (ii) identify a circuit split on the issue, or (iii) pertain to a question of federal law decided by a state court.

Daneros Project

On February 23, 2018, the BLM issued the EA, Decision Record and FONSI for the Mine Plan of Operations Modification for the Daneros Mine. On March 29, 2018, the Southern Utah Wilderness Alliance and Grand Canyon Trust (together the"Appellants") filed a Notice of Appeal to the Interior Board of Land Appeals ("IBLA") regarding the BLM's Decision Record and FONSI and challenging the underlying EA, and the Company was subsequently permitted to intervene. This matter has been briefed and remains under consideration by IBLA at this time. The Company does not consider these challenges to have any merit; however, the scope and costs of amending or redoing the EA have not yet been determined and could be significant.

Surety Bonds

The Company has indemnified third-party companies to provide surety bonds as collateral for the Company's asset retirement obligation. The Company is obligated to replace this collateral in the event of a default, and is obligated to repay any reclamation or closure costs due. The Company currently has $19.68 million posted against an undiscounted asset retirement obligation of $41.32 million (December 31, 2018 - $19.65 million posted against an undiscounted asset retirement obligation of $41.32 million).

Commitments

The Company is contractually obligated under a Sales and Agency Agreement appointing an exclusive sales and marketing agent for all vanadium pentoxide produced by the Company.

15. RELATED PARTY TRANSACTIONS

On May 17, 2017, the Board of Directors of the Company appointed Robert W. Kirkwood and Benjamin Eshleman III to the Board of Directors of the Company.

Mr. Kirkwood is a principal of the Kirkwood Companies, including Kirkwood Oil and Gas LLC, Wesco Operating, Inc., and United Nuclear LLC ("United Nuclear"). United Nuclear, owns a 19% interest in the Company's Arkose Mining Venture while the Company owns the remaining 81%. The Company acts as manager of the Arkose Mining Venture and has management and control over operations carried out by the Arkose Mining Venture. The Arkose Mining Venture is a contractual joint venture governed by a venture agreement dated as of January 15, 2008 entered into by Uranerz Energy Corporation (a subsidiary of the Company) and United Nuclear (the "Venture Agreement").

United Nuclear contributed $nil to the expenses of the Arkose Joint Venture based on the approved budget for the three months ended March 31, 2019.

Mr. Benjamin Eshleman III is President of Mesteña LLC, which became a shareholder of the Company through the Company's acquisition of Mesteña Uranium, L.L.C (now EFR Alta Mesa LLC) in June 2016 through the issuance of 4,551,284 common shares of the Company to the direction of the Sellers (of which 4,247,570 common shares of the Company are currently held by

the Sellers). In connection with the Purchase Agreement, one of the Acquired Companies, Leoncito Project, L.L.C. entered into an Amended and Restated Uranium Testing Permit and Lease Option Agreement with Mesteña Unproven, Ltd., Jones Ranch Minerals Unproven, Ltd and Mesteña Proven, Ltd. (collectively the "Grantors"), which requires Leoncito Project, L.L.C., to make a payment in the amount of $0.60 million to the Grantors in June 2019 (of which up to 50% may be paid in common shares of the Company at the Company's election). As of March 31, 2019, the Company has accrued $0.55 million of this liability on the condensed Consolidated Balance Sheet. The Grantors are managed by Mesteña LLC.

Pursuant to the Purchase Agreement, the Alta Mesa Properties held by the Acquired Companies are subject to a royalty of 3.125% of the value of the recovered U_3O_8 from the Alta Mesa Properties sold at a price of $65.00 per pound or less, 6.25% of the value of the recovered U_3O_8 from the Alta Mesa Properties sold at a price greater than $65.00 per pound and up to and including $95.00 per pound, and 7.5% of the value of the recovered U_3O_8 from the Alta Mesa Properties sold at a price greater than $95.00 per pound. The royalties are held by the Sellers, and Mr. Eshleman and his extended family hold all of the ownership interests in the Sellers. In addition, Mr. Eshleman and certain members of his extended family are parties to surface use agreements that entitle them to surface use payments from the Acquired Companies in certain circumstances. The Alta Mesa Properties are currently being maintained on care and maintenance to enable the Company to restart operations as market conditions warrant. Due to the price of U_3O_8, the Company did not pay any royalty payments or surface use payments to the Sellers or to Mr. Eshleman or his immediate family members in the three months ended March 31, 2019 and does not anticipate paying any royalty payments or surface use payments to the Sellers or to Mr. Eshleman or his immediate family members during the remainder of 2019. Pursuant to the Purchase Agreement, surface use payments from June 2016 through December 31, 2018 have been deferred until June 30, 2019 at which time the Company will pay $1.35 million to settle this obligation. As of March 31, 2019, the Company has accrued $1.35 million of this liability on the condensed Consolidated Balance Sheet.

16. FAIR VALUE ACCOUNTING

Assets and liabilities measured at fair value on a recurring basis

The following tables set forth the fair value of the Company's assets and liabilities measured at fair value on a recurring basis (at least annually) by level within the fair value hierarchy as of March 31, 2019. As required by accounting guidance, assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

As of March 31, 2019, the fair values of cash and cash equivalents, restricted cash, short-term deposits, receivables, accounts payable and accrued liabilities approximate their carrying values because of the short-term nature of these instruments.

	Level 1	Level 2	Level 3	Total
Investments at fair value	$ 1,166	$ —	$ —	**$ 1,166**
Marketable equity securities	1,268	—	—	**1,268**
Marketable debt securities	—	16,186	—	**16,186**
Warrant liabilities	(7,142)	—	—	**(7,142)**
Convertible debentures	(17,640)	—	—	**(17,640)**
	$ (22,348)	**$ 16,186**	**$ —**	**$ (6,162)**

The Company's investments are marketable equity securities which are exchange traded, and are valued using quoted market prices in active markets and as such are classified within Level 1 of the fair value hierarchy. The fair value of the investments is calculated as the quoted market price of the marketable equity security multiplied by the quantity of shares held by the Company.

17. SUBSEQUENT EVENTS

Sale of shares in the Company's 'At-the-Market' program ("ATM").

From April 1, 2019 through May 7, 2019, the Company issued 0.35 million common shares at an average price of $3.62 for proceeds of $1.28 million using the ATM.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

The following discussion and analysis should be read in conjunction with our unaudited condensed consolidated financial statements for the three month periods ended March 31, 2019, and the related notes thereto, which have been prepared in accordance with U.S. GAAP. Additionally, the following discussion and analysis should be read in conjunction with Management's Discussion and Analysis of Financial Condition and Results of Operations and the audited consolidated financial statements included in Part II of our Annual Report on Form 10-K for the year ended December 31, 2018. This discussion and analysis contains forward-looking statements and forward-looking information that involve risks, uncertainties and assumptions. Our actual results may differ materially from those anticipated in these forward-looking statements and information as a result of many factors. See "Cautionary Statement Regarding Forward-Looking Statements" above.

While the Company has uranium extraction and recovery activities and generates revenue, it is considered to be in the Exploration Stage (as defined by SEC Industry Guide 7) as it has no Proven or Probable Reserves within the meaning of SEC Industry Guide 7. Under US GAAP, for a property that has no Proven or Probable Reserves, the Company capitalizes the cost of acquiring the property (including mineral properties and rights) and expenses all costs related to the property incurred subsequent to the acquisition of such property. Acquisition costs of a property are depreciated over its estimated useful life for a revenue generating property or expensed if the property is sold or abandoned. Acquisition costs are subject to impairment if so indicated.

All dollar amounts stated herein are in U.S. dollars, except per share amounts and currency exchange rates unless specified otherwise. References to Cdn$ refer to Canadian currency, and $ to United States currency.

Overview

We provide the raw materials for generation of clean nuclear electricity. Our primary product is a uranium concentrate ("U_3O_8"), or yellowcake, which when further processed will become the fuel for nuclear energy. According to the Nuclear Energy Institute, nuclear energy provides nearly 20% of the total electricity, and 60% of the clean carbon-free energy, generated in the United States. The Company generates revenues from extracting and processing materials for our own account, as well as from toll processing for others.

Our uranium concentrate is produced from multiple sources:

- Conventional recovery operations at our White Mesa Mill (the "Mill") including:
  - Processing ore from uranium mines;
  - Recycling of uranium bearing materials that are not derived from conventional ore ("Alternate Feed Materials"); and
- In-situ recovery ("ISR") operations.

In addition, the Company has a long history of conventional vanadium recovery at the Mill, when vanadium prices support those activities. The Company has commenced vanadium recovery from pond solutions at the Mill. The Company is also evaluating opportunities for copper recovery from our Canyon Project.

The Mill, located near Blanding Utah, processes ore mined from the Four Corners region of the United States as well as Alternate Feed Materials that can originate worldwide. We have the only operating uranium mill in the United States, which is also the last operating facility left in the U.S. with the ability to recover vanadium. The Mill is licensed to process an average of 2,000 tons of ore per day and to extract approximately 8.0 million pounds of U_3O_8 per year. The Mill has separate circuits to process conventional uranium and vanadium ores as well as Alternate Feed Materials.

Currently, there are no mines operating in the vicinity of the Mill, due to low uranium prices. The Mill is currently processing Alternate Feed Materials for the recovery of uranium, under multiple toll processing arrangements as well as Alternate Feed Materials for our own account. Additionally, in recent years the Mill has recovered dissolved uranium from the Mill's tailings management system that was not fully recovered during the Mill's prior thirty-plus years of operations ("Pond Return"). The Company is actively pursuing additional toll and Alternate Feed Materials for processing at the Mill.

The Mill also continues to pursue additional sources of feed materials. For example, a significant opportunity has arisen for the Company to potentially participate in the clean-up of abandoned uranium mines in the Four Corners Region of the U.S. Recently, the U.S. Justice Department and Environmental Protection Agency announced settlements in various forms in excess of $1.5 billion to fund certain clean-up activities on the Navajo Nation. Additional settlements with other parties are also pending. Our Mill is within close trucking distance and is uniquely positioned in this region to receive uranium-bearing materials from these

cleanups and thus recycle the contained U_3O_8, while at the same time permanently disposing of the cleanup materials outside the boundaries of the Navajo Nation. There are no other facilities in the U.S capable of providing this service. Consequently, the Company is actively pursuing these types of opportunities.

The Company's ISR operations consist of our currently producing Nichols Ranch Project and our standby operation at Alta Mesa. At our Nichols Ranch Project, the Company placed its ninth header house into production in March 2017. In order to save cash and resources, the Company is deferring additional wellfield development until uranium prices recover. The Alta Mesa Project will remain on standby in the current uranium price environment.

We believe the current spot price of uranium does not support production for the majority of global uranium producers and, accordingly, we believe that prices will recover at some point in the future. In addition, as discussed below, on July 18, 2018 upon petition by the Company (and Ur-Energy), the U.S. Department of Commerce ("DOC") initiated an investigation into the effects of uranium imports on U.S. national security. This DOC investigation has the potential to result in trade remedies, including import quotas, which may generate higher prices for U.S. uranium. In anticipation of potential price recoveries, we continue to maintain and advance our resource portfolio. Once prices recover, we stand ready to resume wellfield construction at our Nichols Ranch Project, develop wellfields and resume production at our Alta Mesa facility, as well as mine and process resources from our Canyon Project, Daneros Project, La Sal Project and Whirlwind Project. The Company believes we could start bringing this new production to the market within approximately six to twelve months of a positive production decision. Longer term, we expect to resume production at our conventional mines on standby and develop our large conventional mines at Roca Honda and Henry Mountains.

Uranium Market Update

According to monthly price data from TradeTech LLC ("TradeTech"), uranium spot prices dropped 8% during the first three months of 2019 from $27.00 per pound on December 31, 2018 to $24.90 per pound on March 31, 2019, reaching a high of $29.10 per pound during the week of January 25, 2019. TradeTech price data also indicates that long-term U_3O_8 prices were flat, beginning the quarter at $32.00 per pound and ending the quarter at $32.00 per pound. On May 3, 2019, TradeTech reported a spot price of $25.00 per pound and a long-term price of $32.00 per pound. According to TradeTech, the January 2019 price rose due to "continued buying from producers, traders, and financial entities throughout the month, along with a definite uptick in utility buying." (TradeTech, NMR, January 31,2019) The upward momentum seen in uranium prices abated in February, due to "muted buying interest," especially in the U.S. where "utility buyers [were] preoccupied with government-issued questionnaires, one of which relates specifically to the ongoing Section 232 investigation." (TradeTech, NMR, February 28, 2019). The spot price dropped further in March due to "increased pessimism of sellers due to the current discretionary nature of demand and the reticence of U.S. utilities to presently commit to spot purchases as they remain[ed] preoccupied with government- and trade-related issues, specifically the ongoing Section 232 investigation by the U.S. Department of Commerce (DOC)." (TradeTech, NMR, March 31, 2019). TradeTech went on to state that "[t]he looming Section 232 recommendations report, which is scheduled to be delivered by DOC to U.S. President Donald Trump on April 14, is expected by many to include a market remedy recommendation that consequently, has created market uncertainty for U.S. utilities and other market participants." (TradeTech, NMR, March 31, 2019).

The Company believes that certain uranium supply and demand fundamentals are pointing to higher prices in the future, including significant production cuts and increased demand from utilities, financial entities, traders, and producers. However, the Company also believes that while uranium market conditions have improved over the past year, they still remain weak primarily as a result of excess uranium supplies caused by large quantities of secondary uranium supplies, excess inventories, and thus far insufficient primary production cut-backs. The Company also continues to believe that the Company's joint filing of the "Section 232 Petition," discussed below, has injected uncertainty into the market, causing utilities and other market participants to be less aggressive in their buying and selling activities at this time.

Vanadium Market Update

According to weekly price data from Metal Bulletin, mid-point vanadium spot prices were $13.88 per pound of V_2O_5 on March 31, 2019. During the quarter, weekly mid-point spot prices for V_2O_5 as reported by Metal Bulletin dropped by approximately 19% from $15.50 per pound at the end of December 2018 to $13.88 per pound at the end of the quarter. The May 6, 2019 weekly spot price for vanadium as reported by Metal Bulletin was $9.10 per pound.

The Company believes that in 2018, global production cutbacks caused vanadium supply to fall below demand, creating a deficit in the market, leading to significant price increases. However, according to market analyst, CRU, markets fell by the end of 2018 due to "speculators … unwind[ing] their positions and markets reacted to weaker than expected demand from steelmakers in China." (April 9, 2019). It is the Company's belief that vanadium markets dropped further in 2019 due to lowered expectations for the Chinese economy. In the short term, the Company believes that the market dynamics that led to the increased prices in

2018 generally still exist, including increased demand due to new Chinese rebar standards and decreased supply due to environmental regulations. Longer-term, the Company expects vanadium prices to continue to be volatile, and mainly dictated by policies in, and the economy of, China. The Company also believes there could be increased demand for vanadium in the energy storage industry.

Operations Update and Outlook for Year Ending December 31, 2019

Overview

Operations and Sales Outlook Overview

The Company plans to extract and/or recover uranium from its Nichols Ranch Project in 2019. In addition, during 2019 the Company expects to extract and/or recover vanadium, and potentially uranium, from pond solutions at its White Mesa Mill, subject to continued successful recovery and suitable sales prices.

As a result of improved vanadium market conditions in 2018, the Company began its current campaign in early 2019 to recover between two and a half and four million pounds of vanadium over a 16 to 20-month period from existing pond solutions at the White Mesa Mill, which result from past mineral processing campaigns.

As a result of current low uranium market conditions, both ISR and conventional uranium recovery are being maintained at reduced levels until such time as market conditions improve sufficiently, either as a result of potential relief under the ongoing Section 232 Investigation discussed below, or through improved uranium market fundamentals. Until such time as improvements in uranium market conditions are observed or suitable sales contracts can be entered into, the Company expects to defer further wellfield development at its Nichols Ranch Project. In addition, the Company will keep the Alta Mesa ISR Project and its conventional mining properties on standby. The Company is also seeking new sources of revenue, including new sources of Alternate Feed Materials and new fee processing opportunities at the White Mesa Mill that can be processed under existing market conditions, largely unrelated to uranium sales prices. The Company will also continue its support of the Section 232 Investigation and will evaluate additional acquisition and disposition opportunities that may arise.

Extraction and Recovery Activities Overview

During the quarter ended March 31, 2019, the Company recovered approximately 20,000 pounds of U_3O_8. In the year ending December 31, 2019, the Company expects to recover approximately 50,000 to 125,000 pounds of U_3O_8. The Company also recovered 325,000 pounds of high-purity vanadium pentoxide ("**V_2O_5**" or "**black flake**"), during the quarter ended March 31, 2019, and expects to continue to recover approximately 160,000 to 200,000 pounds of V_2O_5 per month over the life of the program, subject to continued successful recovery and depending on the availability of suitable sales prices.

The Company has entered into no uranium sales commitments for 2019 thus far. Therefore, all 2019 uranium production is expected to be added to existing inventories. All V_2O_5 production is expected to be sold on the spot market or maintained in inventory.

Both ISR and conventional uranium extraction and/or recovery are expected to continue to be maintained at reduced levels until such time as improvements in uranium market conditions are observed or suitable sales contracts can be procured. Continued vanadium production will depend on the continued availability of suitable vanadium spot prices.

ISR Activities

During the quarter ended March 31, 2019, we extracted and recovered approximately 20,000 pounds of U_3O_8 from the Nichols Ranch Project. In the year ending December 31, 2019, the Company expects to produce approximately 50,000 to 70,000 pounds of U_3O_8 from Nichols Ranch.

As of March 31, 2019, the Nichols Ranch wellfields had nine header houses extracting uranium. Until such time when improvement in uranium market conditions is observed or suitable sales contracts can be procured, the Company intends to defer development of further header houses at its Nichols Ranch Project. The Company currently holds 34 fully-permitted, undeveloped wellfields at Nichols Ranch, including four additional wellfields at the Nichols Ranch wellfields, 22 wellfields at the adjacent Jane Dough wellfields, and eight wellfields at the Hank Project, which is fully permitted to be constructed as a satellite facility to the Nichols Ranch Plant.

The Company expects to continue to keep the Alta Mesa ISR Project on standby until such time as improvements in uranium market conditions are observed or suitable sales contracts can be procured.

Conventional Activities

Conventional Extraction and Recovery Activities

During the quarter ended March 31, 2019, the White Mesa Mill recovered no uranium due to its focus on vanadium recovery.

During the quarter ended March 31, 2019, the Company produced 325,000 pounds of high-purity V_2O_5 from its Mill pond return program. The Company is currently producing at full production rates of 160,000 to 200,000 pounds of V_2O_5 per month. The Company expects to continue to recover V_2O_5 at these rates throughout 2019, subject to continued successful recovery and depending on the availability of suitable sales prices. If vanadium prices remain at current levels or decline, the Company may curtail or stop vanadium production during the year, pending improvements in vanadium prices. One of the benefits of the Mill's vanadium pond return program is that it can be stopped and restarted relatively quickly in response to changes in vanadium market conditions.

In addition, the Company is evaluating whether uranium can be extracted, concurrent with its vanadium recovery, from the pond solutions. If the Company determines such recovery is possible, it expects that up to approximately 55,000 pounds of U_3O_8 could potentially be recovered at the White Mesa Mill in 2019 from those activities.

The White Mesa Mill has historically operated on a campaign basis whereby uranium and/or vanadium recovery is scheduled as mill feed, cash needs, contract requirements, and/or market conditions may warrant. The Company currently expects that planned vanadium and other processing activities will keep the Mill in operation through the end of 2019 and into 2020. The Company is also actively pursuing opportunities to process new and additional Alternate Feed Material sources and low-grade ore from third parties in connection with various uranium clean-up requirements. Successful results from these activities would allow the Mill to extend the current campaign through 2020 and beyond. In addition, if improvements in uranium market conditions are observed as a result of the Section 232 Investigation or otherwise, the Company would expect to be able to procure suitable long-term sales contracts to keep the Mill operating over a considerably longer period of time.

However, in the event the Company is unable to justify full operation of the Mill at any time, the Company would expect to place uranium and/or vanadium recovery activities at the Mill on standby at that time. While on standby, the Mill would continue to dry and package material from the Nichols Ranch Plant and continue to receive and stockpile Alternate Feed Materials for future milling campaigns. Each future milling campaign would be subject to receipt of sufficient mill feed and resulting cash flow that would allow the Company to operate the Mill on a profitable basis or to recover all or a portion of the Mill's standby costs.

Conventional Standby, Permitting and Evaluation Activities

During the quarter ended March 31, 2019, the Company continued its test-mining program targeting vanadium at the fully-permitted La Sal Complex located on the Colorado Plateau, which it completed by the end of April 2019, in addition to pursuing enhanced operational readiness targeting future commercial production. The goal of the program was to evaluate different mining approaches that selectively target high-grade vanadium zones, thereby potentially increasing productivity and mined grades for vanadium and decreasing mining costs per pound of V_2O_5 and U_3O_8. During this program, the Company refurbished the La Sal and Pandora mines within the La Sal Complex and extracted approximately 6,000 tons of mineralized material. The Company expects to continue readiness activities throughout 2019. In addition, the Company expects to complete a surface and underground drilling program at the La Sal Complex by mid-2019 in order to potentially expand the known uranium and/or vanadium resources available to mine.

During 2019, the Company plans to continue carrying out engineering, metallurgical testing, procurement and construction management activities at its Canyon Project, including additional bench and pilot plant scale metallurgical test work of the uranium/copper mineralization, and to continue pursuing any additional permitting actions that may be required to potentially recover copper at the White Mesa Mill. The timing of the Company's plans to extract and process mineralized materials from this project will be based on the results of this additional evaluation work, along with market conditions, available financing, sales requirements, and/or permits required for copper recovery at the Mill.

The Company is selectively advancing certain permits at its other major conventional uranium projects. The Company plans to accelerate the licensing and permitting of the Roca Honda Project, a large, high-grade conventional project in New Mexico, with the Record of Decision currently scheduled to be completed in 2021. The Company will also maintain required permits at the Company's conventional projects, including the Sheep Mountain Project and the Daneros Project. In addition, the Company will continue to evaluate the Bullfrog Property at its Henry Mountains Project. Expenditures for certain of these projects have been adjusted to coincide with expected dates of price recoveries based on the Company's forecasts. All of these projects serve as important pipeline assets for the Company's future conventional production capabilities, as market conditions warrant.

Sales

During the quarter ended March 31, 2019, the Company completed no uranium sales. The Company currently has no remaining contracts, and is therefore fully unhedged to future uranium price increases.

The Company continued V_2O_5 shipments during the quarter ended March 31, 2019 with initial quantities being allocated for conversion to ferrovanadium ("**FeV**"), which is currently being sold into spot metallurgical markets. During the quarter ended March 31, 2019, the Company completed sales of 53,000 pounds of vanadium at an average price of $20.40 per pound. The Company expects to continue to sell finished vanadium product as it is produced into the metallurgical industry, as well as other markets that demand a higher purity product, including the aerospace, chemical, and potentially the vanadium battery industries. The Company expects to sell to a diverse group of customers in order to maximize revenues and profits. The Company is continuing to produce a high-purity vanadium product of 99.6%-99.7% V_2O_5. The Company believes there may be opportunities to sell certain quantities of this high-purity material at a premium to reported spot prices. The Company may also retain vanadium product in inventory for future sale, depending on vanadium spot prices at the time of production.

The Company also continues to pursue new sources of revenue, including additional Alternate Feed Materials and other sources of feed for the White Mesa Mill.

Trade Petition

In January 2018, the Company participated in the joint filing of a Petition for Relief under Section 232 of the Trade Expansion Act of 1962 (as amended) from Imports of Uranium Products that Threaten National Security (the "**Petition**"). On July 18, 2018, the U.S. Department of Commerce ("**DOC**") initiated the investigation (the "**Section 232 Investigation**"). On April 14, 2019, the DOC completed the Section 232 Investigation and submitted a report to the President of the United States containing their findings and proposed remedy (if any). From April 14, 2019, the President has 90 days to act on DOC's recommendations and, if necessary, take action to adjust imports or pursue other lawful, non-trade-related actions to address the national security threat. The Petition describes how uranium and nuclear fuel from state-owned and state-subsidized enterprises in Russia, Kazakhstan, Uzbekistan and China potentially represent a threat to U.S. national security. The Petition seeks a remedy that will set a quota to limit imports of uranium into the U.S., effectively reserving 25% of the U.S. nuclear market for U.S. uranium production. Additionally, the Petition suggests implementation of a requirement for U.S. federal utilities and agencies to buy U.S. uranium in accordance with the President's Buy American Policy. The remedies, if granted, would be expected to strengthen the U.S. uranium mining industry, bolster national defense, and improve supply diversification for U.S. utilities and their customers. The Company intends to continue its support of this action during 2019. It should be noted, however, that there can be no certainty of the outcome of the Section 232 Investigation, and therefore the outcome of this process is uncertain.

Results of Operations

The following table summarizes the results of operations for the three months ended March 31, 2019 and 2018 (in thousands of US dollars):

	Three Months Ended March 31,	
	2019	2018
Revenues		
Uranium concentrates	$ —	$ 1,238
Vanadium concentrates	1,168	—
Alternate feed materials processing and other	502	16
Total revenues	**1,670**	1,254
Costs and expenses applicable to revenues		
Costs and expenses applicable to uranium concentrates	—	1,238
Costs and expenses applicable to vanadium concentrates	532	—
Costs and expenses applicable to alternate feed materials and other	384	—
Total costs and expenses applicable to revenues	**916**	1,238
Impairment of inventories	1,176	1,010
Gross loss	**(422)**	(994)
Other operating costs and expenses		
Development, permitting and land holding	4,342	1,600
Standby costs	1,084	2,512
Accretion of asset retirement obligation	513	459
Total other operating costs and expenses	**5,939**	4,571
Selling, general and administration		
Selling costs	10	65
General and administration	3,751	4,770
Total selling, general and administration	**3,761**	4,835
Total Operating Loss	**(10,122)**	(10,400)
Interest expense	(329)	(492)
Other (loss) income	(1,683)	63
Net loss	**$ (12,134)**	$ (10,829)
Basic and diluted loss per share	**$ (0.13)**	$ (0.14)

Revenues

The Company's revenues from uranium were previously based on delivery schedules under long-term contracts, which could vary from quarter to quarter. As of December 31, 2018, the Company no longer has any uranium sales contacts. Any future sales of uranium will be subject to sale in the sport market until a time when the Company can agree to terms for long-term sales contracts. In the three months ended March 31, 2019, the Company initiated the selling of vanadium recovered from its pond solution at the White Mesa Mill under a Sales and Agency Agreement appointing an exclusive sales and marketing agent for all vanadium pentoxide produced by the Company.

Revenues for the three months ended March 31, 2019 totaled $1.67 million compared with $1.25 million in the three months ended March 31, 2018.

Of the revenues for the three months ended March 31, 2019, $1.17 million was related to sales of 53,000 pounds of vanadium concentrates and $0.50 million related to toll processing of uranium concentrates.

Revenues for the three months ended March 31, 2018 totaled $1.25 million, of which $1.24 million were sales of 50,000 pounds of U_3O_8 at a price of $24.75 per pound and $0.01 million related to processing of Alternate Feed Materials.

Operating Expenses

Uranium and Vanadium recovered and costs and expenses applicable to revenue

In the three months ended March 31, 2019, the Company recovered 20,000 pounds of U_3O_8 from ISR recovery activities for the Company's own account and 325,000 pounds of V_2O_5 from the Company's pond solutions. In the three months ended March 31, 2018, the Company recovered 43,000 pounds of U_3O_8 from ISR recovery activities, all of which were for the Company's own account.

Costs and expenses applicable to revenue for the three months ended March 31, 2019 were $0.92 million, compared with $1.24 million for the three months ended March 31, 2018. Costs and expenses applicable to revenue for the three months ended March 31, 2019 consisted of $0.53 million from V_2O_5 and $0.38 million related to Alternate Feed Materials. All costs and expenses applicable to revenue for 2018 were related to uranium concentrates.

The decrease in the cost of sales was primarily attributable to having no uranium sales as well as just beginning to sell vanadium from the Company's vanadium program.

Other Operating Costs and Expenses

Development, permitting and land holding

For the three months ended March 31, 2019, the Company spent $4.34 million for development of the Company's properties. This is primarily due to the development of the V_2O_5 test-mining program at the La Sal Project as well as expenses associated with ramping up V_2O_5 production at the White Mesa Mill.

For the three months ended March 31, 2018, the Company spent $1.60 million for development of the Canyon Project and permitting and land holding costs related to these and other projects.

While we expect the amounts relative to the items listed above have added future value to the Company, we expense these amounts as we do not have proven or probable reserves at any of the Company's projects under SEC Industry Guide 7.

Standby expense

The Company’s La Sal and Daneros Projects were placed on standby in 2012, as a result of market conditions. In February 2014, the Company placed its Arizona 1 Project on standby. In 2016 and the beginning of 2018, the White Mesa Mill was operated at lower levels of uranium recovery, including prolonged periods of standby. Costs related to the care and maintenance of the standby mines, along with standby costs incurred while the White Mesa Mill was operating at low levels of uranium recovery or on standby, are expensed.

For the three months ended March 31, 2019, standby costs totaled $1.08 million compared with $2.51 million in the prior year. The decrease is primarily related to increased Alternate Feed Materials processing and toll milling activities at the White Mesa Mill.

Accretion

Accretion related to the asset retirement obligation for the Company’s properties increased for the three months ended March 31, 2019 to $0.51 million compared with the prior three months ended of $0.46 million. This increase is primarily due to normal accretion activity.

Selling, general and administrative

Selling, general and administrative expenses include costs associated with marketing uranium, corporate and general and administrative costs. Selling, general and administrative expenses consist primarily of payroll and related expenses for personnel, contract and professional services, stock-based compensation expense and other overhead expenditures. General and administrative expenses totaled $3.76 million for the three months ended March 31, 2019 compared to $4.84 million for the three months ended March 31, 2018. The decrease is a result of the Company's cost cutting measures resulting in a lower head count in 2019. The Company paid $1.05 million in expenses related to the departure of executive officers consisting of severance expenses of $0.52 million and a succession bonus for the retirement of the CEO of $0.53 million in the three months ended March 31, 2018.

Impairment of Inventories

For the three months ended March 31, 2019, the Company recognized $1.18 million in impairment charges related to inventory. For the three months ended March 31, 2018, the Company recognized $1.01 million inventory impairment. The impairment of inventories is due to continued lower uranium prices versus our cost to produce at the Nichols Ranch Project.

Interest Expense and Other Income and Expenses

Interest expense

Interest expense for the three months ended March 31, 2019, was $0.33 million compared with $0.49 million for the three months ended March 31, 2018. This decrease was due to the payoff of the Wyoming revenue bond loan and the put option conversion of the Company's Convertible Debentures (the "Debentures").

Other income and expense

For the three months ended March 31, 2019, other income and expense totaled $1.68 million expense, net. These amounts primarily consist of a loss on the change in the mark-to-market values of the Debentures of $1.44 million, the decrease in value of warrant liabilities of $0.73 million, offset by $0.38 million gain in investments accounted for at fair value and interest income of $0.11 million.

For the three months ended March 31, 2018, other income and expense totaled $0.06 million income. These amounts primarily consist of a gain for the change in fair value of derivative liabilities of $0.36 million and interest income of $0.05 million, partially offset by a $0.22 million decrease in the value of investments accounted at fair value and by a loss in the mark-to-market values of the Debentures of $0.15 million.

LIQUIDITY AND CAPITAL RESOURCES

Funding of major business and property acquisitions

Over the past six years the Company has funded major business and property acquisitions with capital provided by issuance of its common shares. In 2012 we acquired Titan Uranium Inc. and the US Mining Division of Denison, in 2013 we acquired Strathmore Minerals Corp, in 2015 we acquired Uranerz and in 2016 we acquired Mesteña, each in exchange for newly issued shares.

We intend to continue to acquire assets utilizing common shares when we can do so under attractive terms.

Shares issued for cash

On December 29, 2017, the Company filed a prospectus supplement to its U.S. registration statement, qualifying for distribution up to $30.00 million in additional common shares under the ATM. On November 5, 2018, the Company filed a prospectus supplement to its U.S. registration statement, qualifying for distribution up to $24.50 million in aggregate common shares under the ATM. Then, on the same date, the Company filed a base shelf prospectus whereby the Company may sell any combination of the "Securities" as defined thereunder in one or more offerings up to an initial aggregate offering price of $150.00 million. On May 5, 2019, the prospectus supplement to its U.S. registration statement expired, and was replaced on May 7, 2019 by a new prospectus supplement in the same amount, qualifying for distribution up to $24.50 million in aggregate common shares under the ATM.

From January 1, 2019 to May 7, 2019 a total of 1,108,885 Common Shares have been sold under the ATM, for net proceeds to the Company of $3.66 million.

Working capital at March 31, 2019 and future requirements for funds

At March 31, 2019, the Company had working capital of $47.26 million, including $15.31 million in cash, $17.45 million of marketable securities, 470,000 pounds of uranium finished goods inventory and approximately 270,000 pounds of vanadium finished goods inventory. The Company believes it has sufficient cash and resources to carry out its business plan for at least the next twelve months.

The Company is actively focused on its forward-looking liquidity needs, especially in light of the current depressed uranium markets. The Company is evaluating its ongoing fixed cost structure as well as decisions related to project retention, advancement and development. If current uranium prices persist for any extended period of time, the Company will likely be required to raise capital or take other measures to fund its ongoing operations. Significant development activities, if warranted, will require that we arrange for financing in advance of planned expenditures. In addition, we expect to continue to augment our current financial resources with external financing as our long-term business needs require.

The Company manages liquidity risk through the management of its capital structure. Accounts payable and accrued liabilities, current portion of notes payable and current taxes payable are due within the current operating year.

Cash and cash flows

Quarter ended March 31, 2019

Cash, cash equivalents and restricted cash were $34.99 million at March 31, 2019, compared to $34.29 million at December 31, 2018. The increase of $0.70 million was due primarily to cash provided by financing activities of $2.51 million, cash provided by investing activities of $9.95 million, offset by cash used in operating activities of $11.55 million and loss on foreign exchange on cash held in foreign currencies of $0.21 million.

Net cash used in operating activities of $11.55 million is comprised of the net loss of $12.13 million for the period adjusted for non-cash items and for changes in working capital items. Significant items not involving cash were $0.31 million of depreciation and amortization of property, plant and equipment, $1.18 million impairment on inventory, stock based compensation expense of $1.12 million, accretion of asset retirement obligation ("ARO") of $0.51 million, $0.73 million change in warrant liabilities, $1.44 million change in value of convertible debentures, other non-cash expenses of $0.09 million, a decrease in trade and other receivables of $0.33 million, a decrease in prepaid expenses and other assets of $0.15 million, unrealized foreign exchange gain of $0.50 million, offset by a decrease in accounts payable and accrued liabilities of $2.03 million, a decrease in inventories of $3.25 million and changes in deferred revenue of $0.50 million.

Net cash provided by financing activities totaled $2.51 million consisting of $2.41 million proceeds from the issuance of stock using the Company's ATM offering and $0.10 million cash received from exercise of stock options.

Net cash provided by investing activities was $9.95 million, related to cash received from the sale of marketable securities.

Quarter ended March 31, 2018

Cash, cash equivalents and restricted cash were $28.20 million at March 31, 2018, compared to $40.70 million at December 31, 2017. The decrease of $12.50 million was due primarily to cash used in operations of $11.83 million, loss on foreign exchange on cash held in foreign currencies of $0.06 million offset by cash provided by financing activities of $0.60 million, and cash provided in investing activities of $0.01 million. Net cash used in operating activities of $11.83 million is comprised of the net loss of $10.83 million for the period adjusted for non-cash items and for changes in working capital items. Significant items not involving cash were a decrease in prepaid expenses and other assets of $0.22 million, $0.33 million of depreciation and amortization of property, plant and equipment, $1.01 million impairment on inventory, accretion of ARO of $0.46 million, other non-cash expenses of $0.69 million offset by a $1.80 million decrease in accounts payable and accrued liabilities, an increase in trade and other receivables of $0.95 million, an increase in inventories of $0.78 million, $0.36 million change in warrant liabilities, and unrealized foreign exchange losses of $1.15 million. Net cash provided by financing activities totaled $0.60 million consisting primarily of $1.15 million proceeds from the issuance of stock using the Company's ATM offering offset by $0.84 million to repay loans and borrowings and $0.91 million cash paid for tax withholding. Net cash used in investing activities was $0.01 million for purchases of mineral properties and plant, property and equipment.

Critical accounting estimates and judgments

The preparation of these consolidated financial statements in accordance with US GAAP requires the use of certain critical accounting estimates and judgments that affect the amounts reported. It also requires management to exercise judgment in applying the Company’s accounting policies. These judgments and estimates are based on management’s best knowledge of the relevant facts and circumstances taking into account previous experience. Although the Company regularly reviews the estimates and judgments made that affect these financial statements, actual results may be materially different.

Significant estimates made by management include:

a. Exploration Stage

SEC Industry Guide 7 defines a reserve as “that part of a mineral deposit which could be economically and legally extracted or produced at the time of the reserve determination”. The classification of a reserve must be evidenced by a bankable feasibility study using the latest three-year price average. While the Company has established the existence of mineral resources and has successfully extracted and recovered saleable uranium from certain of these resources, the Company has not established proven or probable reserves, as defined under SEC Industry Guide 7, for these operations or any of its uranium projects. As a result,

the Company is in the Exploration Stage as defined under Industry Guide 7. Furthermore, the Company has no plans to establish proven or probable reserves for any of its uranium projects.

While in the Exploration Stage, among other things, the Company must expense all amounts that would normally be capitalized and subsequently depreciated or depleted over the life of the mining operation on properties that have proven or probable reserves.

Items such as the construction of wellfields and related header houses, additions to our recovery facilities and advancement of properties will all be expensed in the period incurred. As a result, the Company's consolidated financial statements may not be directly comparable to the financial statements of mining companies in the development or production stages.

b. Resource estimates utilized

The Company utilizes estimates of its mineral resources based on information compiled by appropriately qualified persons. The information relating to the geological data on the size, depth and shape of the deposits requires complex geological judgments to interpret the data. The estimation of future cash flows related to resources is based upon factors such as estimates of future uranium prices, future construction and operating costs along with geological assumptions and judgments made in estimating the size and grade of the resource. Changes in the mineral resource estimates may impact the carrying value of mining and recovery assets, goodwill, reclamation and remediation obligations and depreciation and impairment.

d. . Depreciation of mining and recovery assets acquired

For mining and recovery assets actively extracting and recovering uranium we depreciate the acquisition costs of the mining and recovery assets on a straight line basis over our estimated lives of the mining and recovery assets. The process of estimating the useful life of the mining and recovery assets requires significant judgment in evaluating and assessing available geological, geophysical, engineering and economic data, projected rates of extraction and recovery, estimated commodity price forecasts and the timing of future expenditures, all of which are, by their very nature, subject to interpretation and uncertainty.

Changes in these estimates may materially impact the carrying value of the Company's mining and recovery assets and the recorded amount of depreciation.

e. Impairment testing of mining and recovery assets

The Company undertakes a review of the carrying values of its mining and recovery assets whenever events or changes in circumstances indicate that their carrying values may exceed their estimated net recoverable amounts determined by reference to estimated future operating results and net cash flows. An impairment loss is recognized when the carrying value of a mining or recovery asset is not recoverable based on this analysis. In undertaking this review, the management of the Company is required to make significant estimates of, among other things, future production and sale volumes, forecast commodity prices, future operating and capital costs and reclamation costs to the end of the mining asset's life. These estimates are subject to various risks and uncertainties, which may ultimately have an effect on the expected recoverability of the carrying values of mining and recovery assets.

f. Asset retirement obligations

Asset retirement obligations are recorded as a liability when an asset that will require reclamation and remediation is initially acquired. For disturbances created on a property owned that will require future reclamation and remediation the Company records asset retirement obligations for such disturbance when occurred. The Company has accrued its best estimate of its share of the cost to decommission its mining and milling properties in accordance with existing laws, contracts and other policies. The estimate of future costs involves a number of estimates relating to timing, type of costs, mine closure plans, and review of potential methods and technical advancements. Furthermore, due to uncertainties concerning environmental remediation, the ultimate cost of the Company's decommissioning liability could differ from amounts provided. The estimate of the Company's obligation is subject to change due to amendments to applicable laws and regulations and as new information concerning the Company's operations becomes available. The Company is not able to determine the impact on its financial position, if any, of environmental laws and regulations that may be enacted in the future. Additionally, the expected cash flows in the future are discounted at the Company's estimated cost of capital based on the periods the Company expects to complete the reclamation and remediation activities. Differences in the expected periods of reclamation or in the discount rates used could have a material difference in the actual settlement of the obligations compared with the amounts provided.

Recently Adopted Accounting Pronouncements

Leases

In February 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2016-02, "Leases (Topic 842)." ASU 2016-02 requires leases to be recognized as assets and liabilities on the balance sheet for the rights and obligations created by all leases with terms of more than 12 months. Under the new requirements, a lessee will

recognize in the balance sheet a liability to make lease payments (the lease liability) and the right-of-use asset representing the right to the underlying asset for the lease term. For leases with a term of twelve months or less, the lessee is permitted to make an accounting policy election by class of underlying asset not to recognize lease assets and lease liabilities. The recognition, measurement, and presentation of expenses and cash flows arising from a lease by a lessee have not significantly changed from the previous GAAP.

The Company adopted the standard effective January 1, 2019 using the modified retrospective transition approach and elected not to adjust prior comparative periods. Upon adoption, the Company recognized right-of-use assets and lease liabilities of $1.22 million at January 1, 2019. See Footnote 8 for further discussion.

Non-employee Share-Based Payment

In June 2018, the FASB issued ASU 2018-07, which more closely aligns the accounting for employee and non-employee share-based payments. This standard more closely aligns the accounting for non-employee share-based payment transactions to the guidance for awards to employees except for specific guidance on certain inputs to an option-pricing model and the attribution of cost. The Company adopted this standard effective January 1, 2019 and adoption will not have a significant impact on our net earnings.

Recently Issued Accounting Pronouncements Not Yet Adopted

Fair Value Measurement

In August 2018, the FASB issued ASU 2018-13, which amended the fair value measurement guidance by removing and modifying certain disclosure requirements, while also adding new disclosure requirements. The amendments on changes in unrealized gains and losses, the range and weighted average of significant unobservable inputs used to develop Level 3 fair value measurements, and the narrative description of measurement uncertainty should be applied prospectively for only the most recent interim or annual period presented in the initial fiscal year of adoption. All other amendments should be applied retrospectively to all periods presented upon their effective date. The amendments are effective for all companies for fiscal years, and interim periods within those years, beginning after December 15, 2019. Early adoption is permitted for all amendments. Further, a company may elect to early adopt the removal or modification of disclosures immediately and delay adoption of the new disclosure requirements until the effective date. The Company plans to adopt all disclosure requirements effective January 1, 2020.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

The Company is exposed to risks associated with commodity prices, interest rates, foreign currency exchange rates and credit. Commodity price risk is defined as the potential loss that we may incur as a result of changes in the market value of uranium or vanadium. Interest rate risk results from our debt and equity instruments that we issue to provide financing and liquidity for our business. The foreign currency exchange risk relates to the risk that the value of financial commitments, recognized assets or liabilities will fluctuate due to changes in foreign currency rates. Credit risk arises from the extension of credit throughout all aspects of our business. Industry-wide risks can also affect our general ability to finance exploration, and development of exploitable resources; such effects are not predictable or quantifiable. Market risk is the risk to the Company of adverse financial impact due to change in the fair value or future cash flows of financial instruments as a result of fluctuations in interest rates and foreign currency exchange rates. The success of the Company's campaign to recover V_2O_5 from existing pond solutions at the White Mesa Mill will depend, in large part, on the Company's ability to sell V_2O_5 at satisfactory prices in the future. The Company currently does not have any contracts in place for the sale of vanadium.

Commodity Price Risk

The Company is subject to market risk related to the market price of U_3O_8 and V_2O_5. The Company's existing long term uranium contracts have expired, following the Company's April 2018 deliveries, and all uranium sales will now be required to be made at spot prices until the Company enters into new long-term contracts at satisfactory prices in the future. Future revenue beyond our current contracts will be affected by both spot and long-term U_3O_8 price fluctuations which are affected by factors beyond our control, including: the demand for nuclear power; political and economic conditions; governmental legislation in uranium producing and consuming countries; and production levels and costs of production of other producing companies. The Company continuously monitors the market to determine its level of extraction and recovery of uranium and vanadium in the future.

Interest Rate Risk

The Company is exposed to interest rate risk on its cash equivalents, deposits, restricted cash, and debt. Our interest earned is not material; thus not subject to significant risk. The Company is exposed to an interest rate risk associated with its Debentures, which is based on the spot market price of U_3O_8. These Debentures mature in December 2020. The Company does not currently expect

the spot market price of U_3O_8 to exceed $54.99 per pound prior to the Debentures' maturity and, accordingly, does not believe there is any significant interest rate risk related to these Debentures. In the event any relief is granted under the Company's Section 232 Petition, the spot price of uranium could potentially increase, but the risk of any resulting increase in interest rates on the Debentures would be likely offset, at least in part, by other cash-flow improvements for the Company. The Company does not use derivatives to manage interest rate risk. The following chart displays the interest rate applicable to our Debentures at various U_3O_8 per pound price levels.

UxC U3O8 Weekly Indicator Price	Annual Interest Rate
Up to $54.99	8.5%
$55.00–$59.99	9%
$60.00–$64.99	9.5%
$65.00–$69.99	10%
$70.00–$74.99	10.5%
$75.00–$79.99	11%
$80.00–$84.99	11.5%
$85.00–$89.99	12%
$90.00–$94.99	12.5%
$95.00–$99.99	13%
$100 and above	13.5%

Currency Risk

The foreign exchange risk relates to the risk that the value of financial commitments, recognized assets or liabilities will fluctuate due to changes in foreign currency rates. The Company does not use any derivative instruments to reduce its exposure to fluctuations in foreign currency exchange rates. As the US Dollar is the functional currency of our U.S. operations, the currency risk has been reduced. We maintain a nominal balance in foreign currency, resulting in a low currency risk relative to our cash balances. Our Debentures are denominated in Canadian Dollars and, accordingly, are exposed to currency risk.

The following table summarizes, in United States dollar equivalents, the Company's major foreign currency (Cdn$) exposures as of March 31, 2019 ($000):

Cash and cash equivalents	**$**	**2,539**
Accounts payable and accrued liabilities		**(668)**
Loans and borrowings		**(17,640)**
Total	**$**	**(15,769)**

The table below summarizes a sensitivity analysis for significant unsettled currency risk exposure with respect to our financial instruments as at March 31, 2019 with all other variables held constant. It shows how net income would have been affected by changes in the relevant risk variables that were reasonably possible at that date.

('000s)	Change for Sensitivity Analysis		**Increase (decrease) in other comprehensive income**
Strengthening net earnings	+1% change in US dollar	**$**	**(211)**
Weakening net earnings	-1% change in U.S. dollar	**$**	**211**

Credit Risk

Credit risk relates to cash and cash equivalents, investments available for sale, trade, and other receivables that arise from the possibility that any counterparty to an instrument fails to perform. The Company only transacts with highly-rated counterparties and a limit on contingent exposure has been established for any counterparty based on that counterparty's credit rating. The Company's sales are attributable mainly to multinational utilities. The Company carries credit risk insurance relating to its vanadium

sales, which it considers to be adequate. As at March 31, 2019, the Company's maximum exposure to credit risk was the carrying value of cash and cash equivalents, investments available for sale, trade receivables and taxes recoverable.

ITEM 4. CONTROLS AND PROCEDURES.

Disclosure Controls and Procedures.

At the end of the period covered by this quarterly report on Form 10-Q for the period ended March 31, 2019, an evaluation was carried out under the supervision of and with the participation of our management, including the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), of the effectiveness of the design and operations of our disclosure controls and procedures (as defined in Rule 13a-15(e) and Rule 15d-15(e) under the United States Securities Exchange Act of 1934, as amended (the "Exchange Act"). Based on that evaluation, the CEO and the CFO have concluded that as of the end of the period covered by this Quarterly Report, our disclosure controls and procedures were effective in ensuring that: (i) information required to be disclosed by us in reports that we file or submit to the SEC under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in applicable rules and forms and (ii) material information required to be disclosed in our reports filed under the Exchange Act is accumulated and communicated to our management, including our CEO and CFO, as appropriate, to allow for accurate and timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting

There has been no change in our internal control over financial reporting during the quarter ended March 31, 2019 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II

ITEM 1. LEGAL PROCEEDINGS.

We are not aware of any material pending or threatened litigation or of any proceedings known to be contemplated by governmental authorities that are, or would be, likely to have a material adverse effect upon us or our operations, taken as a whole that was not disclosed in the Company's Form 10-K for the year ended December 31, 2018.

ITEM 1A. RISK FACTORS.

There have been no material changes from the risk factors set forth in our Annual Report on Form 10-K for the year ended December 31, 2018.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS.

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

None.

ITEM 4. MINE SAFETY DISCLOSURE.

The mine safety disclosures required by section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act and Item 104 of Regulation S-K are included in Exhibit 95.1 of this Quarterly Report, which is incorporated by reference into this Item 4.

ITEM 5. OTHER INFORMATION.

None.

ITEM 6. EXHIBITS.

Exhibits

The following exhibits are filed as part of this report:

Exhibit Number	Description
3.1	Articles of Continuance dated September 2, 2005 (1)
3.2	Articles of Amendment dated May 26, 2006 (2)
3.3	Bylaws (3)
4.1	The Amended and Restated Convertible Debenture Indenture dated August 4, 2016 between Energy Fuels Inc., BNY Trust Company of Canada and the Bank of New York Mellon providing for the issuance of debentures (4)
4.2	Shareholder Rights Plan between Energy Fuels Inc. and CIBC Mellon Trust Company dated February 3, 2009 (5)
4.3	Warrant Indenture between Energy Fuels Inc. and CST Trust Co. providing for the issue of common share purchase warrants dated March 14, 2016 (6)
4.4	First Supplemental Indenture among Energy Fuels Inc., CST Trust Company and American Stock Transfer & Trust Company, LLC dated April 14, 2016 (7)
4.5	Warrant Indenture between Energy Fuels Inc., CST Trust Company and American Stock Transfer & Trust Company, LLC dated September 20, 2016 (8)
4.6	Consulting Agreement between Energy Fuels Inc. and Liviakis Financial Communications, Inc. dated March 29, 2018 and effective October 1, 2017 (9)
4.7	Energy Fuels Inc. Omnibus Compensation Plan dated January 28, 2015 (10)
4.8	Amended and Restated Shareholder Rights Plan Agreement between Energy Fuels Inc. and AST Trust Company, dated March 29, 2018 and effective as of May 30, 2018 by shareholder vote (11)
4.9	2018 Omnibus Equity Incentive Compensation Plan, as amended and restated as of March 29, 2018 (12)
4.10	Release of Mortgage, Assignment of Revenues, Security Agreement, Fixture Filing and Financing Statement, dated September 11, 2018 (13)
4.11	October 2018 Amended and Restated Consulting Agreement dated and effective as of October 1, 2018 between Energy Fuels Inc. and Liviakis Financial Communications, Inc. (14)
10.1	Sales Agreement between Energy Fuels Inc. and Cantor Fitzgerald & Co. dated December 23, 2016 (15)
10.2	Amendment No. 1 dated December 29, 2017 to the Sales Agreement between Energy Fuels Inc. and Cantor Fitzgerald & Co. originally dated December 23, 2016 (16)
10.3	Employment Agreement by and between Energy Fuels Inc. and Mark Chalmers dated March 28, 2019
10.4	Employment Agreement by and between Energy Fuels Inc. and David C. Frydenlund dated March 28, 2019
10.5	Employment Agreement by and between Energy Fuels Inc. and W. Paul Goranson dated March 28, 2019
23.1	Consent of Mark S. Chalmers
31.1	Certification of Chief Executive Officer pursuant to Rule 13a-14(a)) under the Securities Exchange Act of 1934, as amended
31.2	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934, as amended
32.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
95.1	Mine Safety Disclosure
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension – Schema
101.CAL	XBRL Taxonomy Extension – Calculations
101.DEF	XBRL Taxonomy Extension – Definitions
101.LAB	XBRL Taxonomy Extension – Labels
101.PRE	XBRL Taxonomy Extension – Presentations

(1) Incorporated by reference to Exhibit 3.1 of Energy Fuels' Form F-4 filed with the SEC on May 8, 2015.
(2) Incorporated by reference to Exhibit 3.2 of Energy Fuels' Form F-4 filed with the SEC on May 8, 2015.
(3) Incorporated by reference to Exhibit 3.3 of Energy Fuels' Form F-4 filed with the SEC on May 8, 2015.
(4) Incorporated by reference to Exhibit 4.1 of Energy Fuels' Form 10-Q filed with the SEC on August 5, 2016.
(5) Incorporated by reference to Exhibit 10.9 to Energy Fuels' Form F-4 filed on May 8, 2015.
(6) Incorporated by reference to Exhibit 4.1 to Energy Fuels' Form 8-K filed on March 14, 2016.
(7) Incorporated by reference to Exhibit 4.1 to Energy Fuels' Form 8-K filed on April 20, 2016.
(8) Incorporated by reference to Exhibit 4.1 to Energy Fuels' Form 8-K filed on September 20, 2016.
(9) Incorporated by reference to Exhibit 4.10 to Energy Fuels' Form 8-K filed on April 3, 2018.
(10) Incorporated by reference to Exhibit 4.12 to Energy Fuels' Form S-8 filed on June 24, 2015.
(11) Incorporated by reference to Schedule B to Energy Fuels' Schedule 14A filed on April 11, 2018.
(12) Incorporated by reference to Schedule C to Energy Fuels' Schedule 14A filed on April 11, 2018.
(13) Incorporated by reference to Exhibit 4.15 to Energy Fuels' Form 10-Q filed with the SEC on November 2, 2018.
(14) Incorporated by reference to Exhibit 14.16 to Energy Fuels' Form 10-Q filed with the SEC on November 2, 2018.
(15) Incorporated by reference to Exhibit 1.1 to Energy Fuels' Form 8-K filed on December 23, 2016.
(16) Incorporated by reference to Exhibit 1.1 to Energy Fuels' Form 8-K filed with the SEC on December 29, 2017.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the *Securities Exchange Act of 1934*, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

ENERGY FUELS INC.
(Registrant)

Dated: May 7, 2019

By: /s/ Mark S. Chalmers
Mark S. Chalmers
President & Chief Executive Officer

Dated: May 7, 2019

By: /s/ David C. Frydenlund
David C. Frydenlund
Chief Financial Officer

EXHIBIT 23.1

CONSENT OF MARK S. CHALMERS

I consent to the inclusion in the Quarterly Report on Form 10-Q of Energy Fuels Inc. (the "Company") for the quarter ended March 31, 2019 (the "Quarterly Report") of technical disclosure regarding the properties of the Company, including sampling, analytical and test data underlying such disclosure (the "Technical Information") and of references to my name with respect to the Technical Information being filed with the United States Securities and Exchange Commission (the "SEC") under cover of Form 10-Q.

I also consent to the filing of this consent under cover of Form 10-Q with the SEC and of the incorporation by reference of this consent and the Technical Information into the Company's Registration Statement on Form S-3 (No. 333-228158), as amended, and into the Company's Registration Statements on Form S-8 (Nos. 333-217098, 333-205182, 333-194900 and 333-22654), and any amendments thereto, filed with the SEC.

/s/ Mark S. Chalmers
Name: Mark S. Chalmers
Title: President and Chief Executive Officer,
Energy Fuels Inc.

Date: May 7, 2019

EXHIBIT 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO RULE 13a-14(a) OF THE
SECURITIES EXCHANGE ACT OF 1934

I, Mark S. Chalmers, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Energy Fuels Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Mark S. Chalmers

Date: May 7, 2019

Mark S. Chalmers
President and Chief Executive Officer
(Principal Executive Officer)

EXHIBIT 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO RULE 13a-14(a) OF THE
SECURITIES EXCHANGE ACT OF 1934

I, David C. Frydenlund, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Energy Fuels Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ David C. Frydenlund

Date: May 7, 2019

David C. Frydenlund
Chief Financial Officer
(Principal Financial Officer)

EXHIBIT 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. §1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Energy Fuels Inc. (the "Company") on Form 10-Q for the period ended March 31, 2019 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Mark S. Chalmers, President and Chief Executive Officer, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Mark S. Chalmers

Mark S. Chalmers
President and Chief Executive Officer
(Principal Executive Officer)

Date: May 7, 2019

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

EXHIBIT 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. §1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Energy Fuels Inc. (the "Company") on Form 10-Q for the period ended March 31, 2019 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, David C. Frydenlund, Chief Financial Officer, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ David C. Frydenlund
David C. Frydenlund
Chief Financial Officer
(Principal Financial Officer)

Date: May 7, 2019

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 95.1

Mine Safety Disclosure

Pursuant to Section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the "Dodd-Frank Act"), issuers that are operators, or that have a subsidiary that is an operator, of a coal or other mine in the United States, and that is subject to regulation by the Federal Mine Safety and Health Administration under the Mine Safety and Health Act of 1977 ("Mine Safety Act"), are required to disclose in their periodic reports filed with the SEC information regarding specified health and safety violations, orders and citations, related assessments and legal actions, and mining-related fatalities.

The following table sets out the information concerning mine safety violations or other regulatory matters required by Section 1503(a) of the Dodd Frank Wall Street Reform and Consumer Protection Act for the period January 1, 2019 through March 31, 2019 covered by this report:

Property	Section 104(a) S&S Citations[2] (#)	Section 104(b) Orders[3] (#)	Section 104(d) Citations and Orders[4] (#)	Section 110(b)(2) Violations[5] (#)	Section 107(a) Orders[6] (#)	Total Dollar Value of MSHA Assess-ments Proposed[7] ($)	Total Number of Mining Related Fatalities (#)	Received Notice of Pattern of Violations or Potential Thereof Under Section 104(e)[8] (yes/no)	Legal Actions Pending as of Last Day of Period[9] (#)	Legal Actions Initiated During Period (#)	Legal Actions Resolved During Period (#)
Arizona 1	Nil	Nil	Nil	Nil	Nil	$0.00	Nil	No	Nil	Nil	Nil
Beaver/ La Sal[1]	Nil	Nil	Nil	Nil	Nil	$363.00	Nil	No	Nil	Nil	Nil
Canyon	Nil	Nil	Nil	Nil	Nil	$0.00	Nil	No	Nil	Nil	Nil
Daneros[1]	Nil	Nil	Nil	Nil	Nil	$0.00	Nil	No	Nil	Nil	Nil
Energy Queen[1]	Nil	Nil	Nil	Nil	Nil	$0.00	Nil	No	Nil	Nil	Nil
Pandora[1]	Nil	Nil	Nil	Nil	Nil	$0.00	Nil	No	Nil	Nil	Nil
Rim[1]	Nil	Nil	Nil	Nil	Nil	$0.00	Nil	No	Nil	Nil	Nil
Tony M[1]	Nil	Nil	Nil	Nil	Nil	$0.00	Nil	No	Nil	Nil	Nil
Whirlwind[1]	Nil	Nil	Nil	Nil	Nil	$0.00	Nil	No	Nil	Nil	Nil

1. The Company's Arizona 1 Mine, Canyon Mine, Daneros Project, Energy Queen Property, Rim Project, Tony M Property and Whirlwind Project were each on standby and were not mined during the period. At the Company's Beaver/La Sal Property and Pandora Property, mining activities resumed. These activities included rehabilitation of the La Sal decline and the commencement of a vanadium test-mining program.
2. Citations and Orders are issued under Section 104 of the Federal Mine Safety and Health Act of 1977 (30 U.S.C. 814) (the "Act") for violations of the Act or any mandatory health or safety standard, rule, order or regulation promulgated under the Act. A Section 104(a) "Significant and Substantial" or "S&S" citation is considered more severe than a non-S&S citation and generally is issued in a situation where the conditions created by the violation do not cause imminent danger, but the violation is of such a nature as could significantly and substantially contribute to the cause and effect of a mine safety or health hazard. It should be noted that, for purposes of this table, S&S citations that are included in another column, such as Section 104(d) citations, are not also included as Section 104(a) S&S citations in this column.
3. A Section 104(b) withdrawal order is issued if, upon a follow up inspection, an MSHA inspector finds that a violation has not been abated within the period of time as originally fixed in the violation and determines that the period of time for the abatement should not be extended. Under a withdrawal order, all persons, other than those required to abate the violation and certain others, are required to be withdrawn from and prohibited from entering the affected area of the mine until the inspector determines that the violation has been abated.
4. A citation is issued under Section 104(d) where there is an S&S violation and the inspector finds the violation to be caused by an unwarrantable failure of the operator to comply with a mandatory health or safety standard. Unwarrantable failure is a special negligence finding that is made by an MSHA inspector and that focuses on the operator's conduct. If during the same inspection or any subsequent inspection of the mine within 90 days after issuance of the citation, the MSHA inspector finds another violation caused by an unwarrantable failure of the operator to comply, a withdrawal order is issued, under which all persons, other than those required to abate the violation and certain others, are required to be withdrawn from and prohibited from entering the affected area until the inspector determines that the violation has been abated.
5. A flagrant violation under Section 110(b)(2) is a violation that results from a reckless or repeated failure to make reasonable efforts to eliminate a known violation of a mandatory health or safety standard that substantially and proximately caused, or reasonable could have been expected to cause, death or serious bodily injury.
6. An imminent danger order under Section 107(a) is issued when an MSHA inspector finds that an imminent danger exists in a

mine. An imminent danger is the existence of any condition or practice which could reasonably be expected to cause death or serious physical harm before such condition or practice can be abated. Under an imminent danger order, all persons, other than those required to abate the condition or practice and certain others, are required to be withdrawn from and are prohibited from entering the affected area until the inspector determines that such imminent danger and the conditions or practices which caused the imminent danger no longer exist.

7. These dollar amounts include the total amount of all proposed assessments from MSHA under the Act relating to any type of violation during the period, including proposed assessments for non-S&S citations that are not specifically identified in this exhibit, regardless of whether the Company has challenged or appealed the assessment.
8. A Notice is given under Section 104(e) if an operator has a pattern of S&S violations. If upon any inspection of the mine within 90 days after issuance of the notice, or at any time after a withdrawal notice has been given under Section 104(e), an MSHA inspector finds another S&S violation, an order is issued, under which all persons, other than those required to abate the violation and certain others, are required to be withdrawn from and prohibited from entering the affected area until the inspector determines that the violation has been abated.
9. There were no legal actions pending before the Federal Mine Safety and Health Review Commission as of the last day of the period covered by this report. In addition, there were no pending actions that are (a) contests of citations and orders referenced in Subpart B of 29 CFR Part 2700; (b) complaints for compensation referenced in subpart D of 29 CFR Part 2700; (c) complaints of discharge, discrimination or interference referenced in Subpart E of 29 CFR Part 2700; (d) applications for temporary relief referenced in Subpart F of 29 CFR Part 2700; or (e) appeals of judges' decisions or orders to the Federal Mine Safety and Health Review Commission referenced in Subpart H of 29 CFR Part 2700.

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT ("**Agreement**") is effective as of the 28th day of March, 2019 (the "**Effective Date**"), by and between Energy Fuels Resources (USA) Inc., a Delaware corporation ("**EFRI**"), Energy Fuels Inc., an Ontario corporation ("**EFI**") (EFRI and EFI are collectively referred to herein as the "**Company**") and Mark S. Chalmers ("**Employee**").

In consideration of the agreements contained in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company and Employee hereby agree as follows:

ARTICLE 1
EMPLOYMENT, REPORTING AND DUTIES

1.1 Employment. The Company hereby employs and engages the services of Employee to serve as President and Chief Executive Officer and Employee agrees to diligently and competently serve as and perform the functions of President and Chief Executive Officer for the compensation and benefits stated herein. A copy of Employee's current job description is attached hereto as Exhibit A, and Company and Employee agree and acknowledge that, subject to Section 4.2(b), Company retains the right to reasonably add to, or remove, duties and responsibilities set forth in that job description as business or other operating reasons may arise for changes to occur. It is understood that Employee will be appointed an officer of EFI and EFRI during the term of this Agreement, but that Employee's direct employment relationship will be as an employee of EFRI.

1.2 Fulltime Service. Excluding any periods of vacation and sick leave to which Employee may be entitled, Employee agrees to devote Employee's full time and energies to the responsibilities with the Company consistent with past practice and shall not, during the Term of this Agreement, be engaged in any business activity which would interfere with or prevent Employee from carrying out Employee's duties under this Agreement.

ARTICLE 2
COMPENSATION AND RELATED ITEMS

2.1 Compensation.

As compensation and consideration for the services to be rendered by Employee under this Agreement, the Company agrees to pay Employee and Employee agrees to accept:

(a) *Base Salary and Benefits*. A base salary ("**Base Salary**") of $400,000 per annum, less required tax withholding, which shall be paid in accordance with the Company's standard payroll practice. Employee's Base Salary may be increased from time to time (but not decreased, including after any increase, without Employee's written consent), at the discretion of the Company, and after any such change, Employee's new level of Base Salary shall be Employee's Base Salary for purposes of this Agreement until the effective date of any subsequent change. Employee shall also receive benefits such as health insurance, vacation and other benefits consistent with the then applicable Company benefit plans to the same extent as other employees of the Company with similar position or level. Employee understands and agrees that, subject to Sections 2.1(b) and (c) below, Company's benefit plans may, from time to time, be modified or eliminated at Company's discretion.

(b) *Cash Bonus*. A cash bonus opportunity (the "**Cash Bonus**") during each calendar year with a target (the "**Target Cash Bonus**") equal to fifty percent (50%) (the "**Target Cash Bonus Percentage**") of Employees' Base Salary for the year in which the cash bonus is paid, such cash bonus to be paid in accordance with the Company's existing Short Term Incentive Plan, as such plan may be amended or replaced from time to time, or the equivalent (the "**STIP**"). Pursuant to the terms of the STIP, each annual Cash Bonus shall be payable based on the achievement of performance goals, and may be higher or lower than the Target Cash Bonus based on achievement of those goals. For each calendar year during the term of this Agreement, the Board (or the Compensation Committee) of EFI will determine and will establish in writing (i) the applicable STIP performance goals, which shall be reasonably achievable and if achieved would result in payment of the Target Cash Bonus, (iii) the percentage of annual Base Salary to be payable to Employee if some lesser or greater percentage of the annual STIP performance goals are achieved, and (iv) such other applicable terms and conditions of the STIP necessary to satisfy the requirements of Section 409A of the Internal Revenue Code of 1986, as amended (the "**Code**"*)*; and

(c) *Equity Award*. An equity award opportunity (the "**Equity Award**") during each calendar year with a target value (the "**Target Equity Award**") equal to one hundred percent (100%) (the "**Target Equity Award Percentage**") of Employee's Base Salary for the year in which the award is granted, such equity award to be awarded in accordance with the Company's existing Long Term Incentive Plan, as such plan may be amended or replaced from time to time, or the equivalent (the "**LTIP**"). Pursuant to the terms of the LTIP, each annual equity award shall be made based on the achievement of performance goals, and may be higher or lower than the Target Equity Award based on achievement of those goals. For each calendar year during the term of this Agreement, the Board (or the Compensation Committee) of EFI will determine and will establish in writing (i) the applicable LTIP performance goals, which shall be reasonably achievable and if achieved would result in payment of the Target Equity Award, (iii) the percentage of annual Base Salary value to be awarded in equity to Employee if some lesser or greater percentage of the annual LTIP performance goals are achieved, and (iv) such other applicable terms and conditions of the LTIP necessary to satisfy the requirements of Section 409A of the Code.

2.2 Annual Medical. Employee shall have a comprehensive annual medical examination each calendar year of this Agreement. The Company will reimburse Employee for the cost of each such examination, provided that Employee requests such reimbursement and such reimbursement is made no later than the last day of the calendar year following the calendar year in which the examination expense was incurred. Employee will promptly notify the Chairman of the Board of EFI (the "**Chairman of the Board**") if the annual medical examination reveals any condition which, if untreated, is likely to interfere with Employee's ability to perform the essential requirements of Employee's position, and if requested by the Chairman of the Board, Employee will provide the details of the condition and the potential impact on his or her ability to perform the essential requirements of his or her position to enable the Chairman of the Board to determine how best to accommodate Employee and protect the critical business interests of the Company.

2.3 Expenses. The Company agrees that Employee shall be allowed reasonable and necessary business expenses in connection with the performance of Employee's duties within the guidelines established by the Company as in effect at any time with respect to key employees ("**Business Expenses**"), including, but not limited to, reasonable and necessary expenses for food, travel, lodging, entertainment and other items in the promotion of the Company within such guidelines. The Company shall promptly reimburse Employee for all reasonable Business Expenses incurred by Employee upon

Employee's presentation to the Company of an itemized account thereof, together with receipts, vouchers, or other supporting documentation.

2.4 Vacation. Employee will be entitled to five weeks of vacation each year, in addition to the 10 paid holidays each year. Carry over from one year to the next will be as per the Company's paid leave policy.

2.5 Work Away From Office. The Company recognizes that Employee may be completing his regular work away from the office each year during a period or periods of time aggregating up to two weeks per calendar year or as agreed to in writing by the Chairman of the Board. These periods of time will count as work time and will not count as vacation time or paid or unpaid leave. However, any travel and lodging for these periods of time will not be charged by Employee as a business expense unless pre-approved by the Chairman of the Board. The aggregate period of time explained here will be per calendar year, unless otherwise approved by the Board of Directors of EFI.

2.6 Vehicle. The Company will provide Employee the use of a vehicle for his unrestricted personal and work use, and will pay all reasonable maintenance and operating costs, while Employee is employed as President and Chief Executive Officer of the Company under this Agreement. The vehicle will be approved by the Chairman of the Board, will be new as of the Effective Date and will be suitable for both highway travel and off-road travel to access Company properties. The vehicle will be owned or leased by the Company, but Employee will have the option to acquire it in the circumstances set out in Section 3.3(b)(iv) below.

2.7 Outside Directorship. Employee shall be entitled to seek and maintain one non-executive, non-chair directorship with a publicly traded or privately owned company that does not compete directly or indirectly with the Company in any of the Company's primary business lines. Employee shall not seek or maintain more than one such directorship or vary from any of the foregoing requirements without the prior written approval of the Board of Directors of EFI. Such directorships exclude directorships on private family holding companies or on any company where Employee is requested by the Company to seek or maintain such a directorship.

ARTICLE 3
TERMINATION

3.1 Term. Employee's employment under this Agreement shall commence on the Effective Date and will end on the date (the "**Initial Expiration Date**") that is the second anniversary of the Effective Date, unless terminated sooner under the provisions of this Article, or extended under the terms of this Section. If neither Company nor Employee provides written notice of intent not to renew this Agreement by ninety (90) days prior to the Initial Expiration Date, this Agreement shall be automatically renewed for twelve (12) additional months, and if neither Company nor Employee provides written notice of intent not to renew this Agreement prior to ninety (90) days before the end of such additional 12-month period, this Agreement shall continue to be automatically renewed for successive additional 12-month periods until such time either Company or Employee provides written notice of intent not to renew prior to ninety (90) days before the end of any such renewal period.

3.2 Termination of Employment. Except as may otherwise be provided herein, Employee's employment under this Agreement may terminate upon the occurrence of:

(a) Notice by Company. The termination date specified in a written notice of termination that is given by the Company to Employee;

(b) Notice by Employee. Thirty (30) days after written notice of termination is given by Employee to the Company;

(c) Death or Disability. Employee's death or, at the Company's option, upon Employee's becoming disabled;

(d) Deemed Termination Without Just Cause upon a Change of Control. A deemed termination without just cause under Section 4.1(a) upon the occurrence of a Change of Control; or

(e) Notice **Not** to Renew. If the Company or Employee gives the other a notice not to renew this Agreement under Section 3.1, employment under this Agreement shall terminate at the close of business at the end of the Initial Expiration Date or at the end of the 12-month renewal period in which timely notice not to renew was given, as the case may be. A notice by the Company not to renew shall be considered a notice of termination, resulting in the Company terminating Employee's employment under this Agreement.

Any notice of termination given by the Company to Employee under Section 3.2(a) or (e) above shall specify whether such termination is with or without just cause as defined in Section 3.4. Any notice of termination given by Employee to the Company under Section 3.2(b) above shall specify whether such termination is made with or without Good Reason as defined in Section 4.2(b).

3.3 Obligations of the Company Upon Termination.

(a) With Just Cause/Without Good Reason. If the Company terminates Employee's employment under this Agreement with just cause as defined in Section 3.4, or if Employee terminates his employment without Good Reason as defined in Section 4.2(b) (other than a voluntary retirement under Section 3.8(a)), in either case whether before or after a Change of Control as defined in Section 4.2(a), then Employee's employment with the Company shall terminate without further obligation by the Company to Employee, other than payment of all accrued obligations ("**Accrued Obligations**"), including outstanding Base Salary, accrued vacation pay and any other cash benefits accrued up to and including the date of termination. That payment shall be made in one lump sum, less required tax withholding, within ten (10) working days after the effective date of such termination. Employee will have up to the earlier of: (A) ninety (90) days from the effective date of termination of Employee's employment; or (B) the date on which the exercise period of the particular stock option expires, to exercise only that portion of the stock options previously granted to Employee that have not been exercised, but which have vested, and thereafter Employee's stock options will expire and Employee will have no further right to exercise the stock options. Any stock options held by Employee that are not yet vested at the termination date immediately expire and are cancelled and forfeited to the Company on the termination date. Any Restricted Stock Units ("**RSUs**") held by Employee that have vested on or before the termination date shall be paid (or the shares issuable thereunder issued) to Employee. Any RSUs held by Employee that are not vested on or before the termination date will be immediately cancelled and forfeited to the Company on the termination date. The rights of Employee upon termination in respect of any Stock Appreciation Rights ("**SAR**s") or other awards granted to Employee under any of the Company's equity compensation plans shall be as set forth in such plans or in the award agreement for any such awards, as applicable. Notwithstanding the foregoing, but subject to Section 3.8(a), on retirement, Employee will have up to the earlier of: (A)

one hundred and eighty (180) days from the effective date of retirement; or (B) the date on which the exercise period of the particular stock option expires, to exercise only that portion of the stock options previously granted to Employee that have not been exercised, but which have vested, and thereafter Employee's stock options will expire and Employee will have no further right to exercise the stock options.

(b) With Good Reason/Without Just Cause/Disabled/Death. If Employee terminates Employee's employment under this Agreement for Good Reason as defined in Section 4.2(b), or if the Company terminates Employee's employment without just cause as defined in Section 3.4, or if the Company terminates Employee's employment by reason of Employee becoming Disabled as defined in Section 3.5, or if Employee dies (in which case the date of Employee's death shall be considered his or her termination date), in any case whether before or after a Change of Control as defined in Section 4.2(a), or if there is a deemed termination without just cause upon a Change of Control as contemplated by Section 4.1(a), then Employee's employment with the Company shall terminate, as of the effective date of the termination, and in lieu of any other severance benefit that would otherwise be payable to Employee:

(i) the Company shall pay the following amounts to Employee (or, in the case of termination by reason of Employee becoming Disabled or upon the death of Employee, to Employee's legal representative or estate as applicable) after the effective date of such termination, or in a manner and at such later time as specified by Employee (or Employee's legal representative), and agreed to by the Company, subject to being in compliance with Section 409A of the Code:

(A) all Accrued Obligations, less required tax withholding, up to and including the date of termination, to be paid on the date of termination of employment, or within no more than five (5) working days thereafter, and the Company will reimburse Employee for all proper expenses incurred by Employee in discharging his responsibilities to the Company prior to the effective date of termination of Employee's employment in accordance with Section 2.3 above; and

(B) an amount in cash equal to two and ninety-nine one hundredths (2.99) (the "**Severance Factor**") times the sum of Employee's Base Salary and Target Cash Bonus for the full year in which the Date of Termination occurs, less required tax withholding, such amount to be paid within thirty (30) calendar days after the date Employee signs the Release contemplated by Section 3.7;

(ii) Employee or Employee's legal representative will have up to the earlier of: (A) ninety (90) days from the effective date of termination of Employee's employment for all cases other than the death of Employee and twelve (12) months from the effective date of termination of Employee's employment in the case of death of Employee; or (B) the date on which the exercise period of the particular stock option expires, to exercise only that portion of the stock options previously granted to Employee that have not been exercised, but which have vested, and thereafter Employee's stock options will expire and Employee or his or her legal representative will have no further right to exercise the stock options. Subject to Section 4.1(c), any stock options held by Employee that are not yet vested at the termination date immediately expire and are cancelled and forfeited to the Company on the termination date. Any RSUs held by Employee that have vested on or before the termination date shall be paid (or the shares issuable thereunder issued) to Employee or his or her legal representative or

estate as applicable. Subject to Section 4.1(c), any RSUs held by Employee that are not vested on or before the termination date will be immediately cancelled and forfeited to the Company on the termination date. Subject to Section 4.1(c), the rights of Employee or his or her legal representative or estate as applicable upon termination in respect of any SARs or other awards granted to Employee under any of the Company's equity compensation plans shall be as set forth in such plans or in the award agreement for any such awards, as applicable;

(iii) Upon termination, the Company or its Successor (as defined in Section 4.1(a)), agrees to reimburse Employee the full cost of the COBRA continuation rate charged for employee and dependent coverage, through the EFRI Health and Welfare Plan on a monthly basis, for a period of months equal to twelve times the Severance Factor (the "**Coverage Period**"), beyond Employee's termination month. Employee and his or her dependents may, at their choosing, enroll in the COBRA continuation plan through EFRI for the first eighteen months following Employee's termination month or, if they choose, they may enroll in a separate plan of their choosing, by using the reimbursement to enroll in medical and prescription insurance of their choosing. Reimbursement at the rate described herein will continue for the Coverage Period beyond Employee's termination month, but beginning with the nineteenth month, Employee and his or her dependents will need to obtain coverage from a different source than the COBRA continuation plan through EFRI. The reimbursement will be to Employee and his or her dependents directly, and will be grossed up so that there is no negative tax impact to the Employee or his or dependents for coverage of the premiums charged by the insurance carriers for the COBRA continuation coverage for the current month of reimbursement. The reimbursed cost of COBRA coverage will be indexed annually, and will match the rate charged for any month of coverage available by the insurance carrier for Medical, Dental, and Optical coverage through EFRI for employee and spouse coverage. Both Employee and his or her dependents, will have the option of purchasing a medical plan separate from the plan offered by EFRI; and

(iv) At the sole option of Employee, Employee may purchase the vehicle contemplated by Section 2.5 above at then fair market value, as reasonably determined by the Company. If the Company owns the vehicle, the Company will transfer ownership of the vehicle to Employee at such value, or if the vehicle is leased by the Company, the Company will exercise the option to buy-out the lease and will transfer ownership of the vehicle to Employee at such value. In any case, Employee will be responsible for any taxable benefit associated with the transfer of ownership of the vehicle to Employee, which the Company may deduct from the amounts payable to Employee under this Section 3.3(b).

(v) Nothing herein shall preclude the Company from granting additional severance benefits to Employee upon termination of employment.

Notwithstanding the foregoing, in the case of Disability, any Base Salary payable to Employee during the one hundred and eighty (180) day period of disability will be reduced by the amount of any disability benefits Employee receives or is entitled to receive as a result of any disability insurance policies for which the Company has paid the premiums.

(c) Section 280G. Notwithstanding any other provisions of this Agreement, or any other plan, arrangement or agreement to the contrary, if any of the payments or benefits provided or to be provided by the Company or its affiliates to Employee or for Employee's benefit pursuant to the terms of this Agreement or otherwise ("**Covered Payments**") constitute "parachute payments" within the

meaning of Section 280G of the Code and would, but for this Section 3.3(c) be subject to the excise tax imposed under Section 4999 of the Code (or any successor provision thereto) or any similar tax imposed by state or local law or any interest or penalties with respect to such taxes (collectively, the "**Excise Tax**"), then the following shall apply:

(i) If the Covered Payments, reduced by the sum of (1) the Excise Tax and (2) the total of the Federal, state, and local income and employment taxes payable by Employee on the amount of the Covered Payments which are in excess of three times Employee's "base amount" within the meaning of Section 280(G) of the Code less one dollar (the "**Threshold Amount**"), are greater than or equal to the Threshold Amount, Employee shall be entitled to the full benefits payable under this Agreement; and

(ii) If the Threshold Amount is less than (1) the Covered Payments, but greater than (2) the Covered Payments reduced by the sum of (x) the Excise Tax and (y) the total of the Federal, state, and local income and employment taxes on the amount of the Covered Payments which are in excess of the Threshold Amount, then the Covered Payments shall be reduced (but not below zero) to the extent necessary so that the sum of all Covered Payments shall not exceed the Threshold Amount. In such event, the Covered Payments shall be reduced in the following order: (A) cash payments not subject to Section 409A; (B) cash payments subject to Section 409A; (C) equity-based payments and acceleration; and (D) non-cash forms of benefits. To the extent any payment is to be made over time (e.g., in installments, etc.), then the payments shall be reduced in reverse chronological order.

The determination as to which of the alternative provisions of Section 3.3(c)(ii) shall apply to Employee shall be made by a nationally recognized accounting firm selected by the Company (the "**Accounting Firm**"), which shall provide detailed supporting calculations both to the Company and Employee within 15 business days of the date of termination, if applicable, or at such earlier time as is reasonably requested by the Company or Employee. For purposes of determining which of the alternative provisions of Section 3.3(c)(ii) shall apply, Employee shall be deemed to pay Federal income taxes at the highest marginal rate of Federal income taxation applicable to individuals for the calendar year in which the determination is to be made, and state and local income taxes at the highest marginal rates of individual taxation in the state and locality of Employee's residence on the date of termination, net of the maximum reduction in Federal income taxes which could be obtained from deduction of such state and local taxes. Any determination by the Accounting Firm shall be binding upon the Company and Employee.

3.4 Definition of Just Cause.

As used in this Agreement, the term "just cause" will mean any one or more of the following events:

(a) theft, fraud, dishonesty, or misappropriation by Employee involving the property, business or affairs of the Company or the discharge of Employee's responsibilities or the exercise of his or her authority;

(b) willful misconduct or the willful failure by Employee to properly discharge his or her responsibilities or to adhere to the policies of the Company

(c) Employee's gross negligence in the discharge of his or her responsibilities or involving the property, business or affairs of the Company to the material detriment of the Company;

(d) Employee's conviction of a criminal or other statutory offence that constitutes a felony or which has a potential sentence of imprisonment greater than six (6) months or Employee's conviction of a criminal or other statutory offence involving, in the sole discretion of the Board of Directors of EFI, moral turpitude;

(e) Employee's material breach of a fiduciary duty owed to the Company;

(f) any material breach by Employee of the covenants contained in Articles 5 or 6 below;

(g) Employee's unreasonable refusal to follow the lawful written direction of the Board of Directors of EFI on any material matter;

(h) any conduct of Employee which, in the reasonable opinion of the Board of Directors of EFI, is materially detrimental or embarrassing to the Company; or

(i) any other conduct by Employee that would constitute "just cause" as that term is defined at law.

The Company must provide written notice to Employee prior to termination for just cause pursuant to Section 3.4 (c), (f), (g), (h), or (i) and provide Employee the opportunity to correct and cure the failure within thirty (30) days from the receipt of such notice. If the parties disagree as to whether the Company had just cause to terminate the Employee's employment, the dispute will be submitted to binding arbitration pursuant to Section 7.9 below.

3.5 Definition of Disabled. As used herein, "Disabled" shall mean a mental or physical impairment which, in the reasonable opinion of a qualified doctor selected by mutual agreement of the Company and Employee acting reasonably, renders Employee unable, with reasonable accommodation, to perform with reasonable diligence the essential functions and duties of Employee on a full-time basis in accordance with the terms of this Agreement, which inability continues for a period of not less than 180 consecutive days. The providing of service to the Company for up to two (2) three (3) day periods during the one hundred and eighty (180) day period of disability will not affect the determination as to whether Employee is Disabled and will not restart the one hundred and eighty (180) day period of disability. If any dispute arises between the parties as to whether Employee is Disabled, Employee will submit to an examination by a physician selected by the mutual agreement of the Company and Employee acting reasonably, at the Company's expense. The decision of the physician will be certified in writing to the Company, and will be sent by the Physician to Employee or Employee's legally authorized representative, and will be conclusive for the purposes of determining whether Employee is Disabled. If Employee fails to submit to a medical examination within twenty (20) days after the Company's request, Employee will be deemed to have voluntarily terminated his or her employment.

3.6 Return of Materials; Confidential Information. In connection with Employee's separation from employment for any reason, Employee shall return any and all physical property belonging to the Company, and all material of whatever type containing "Confidential Information" as defined in Section 5.2 below, including, but not limited to, any and all documents, whether in paper or electronic form, which contain Confidential Information, any customer information, production information, manufacturing-related information, pricing information, files, memoranda, reports, pass codes/access cards, training or other reference manuals, Company vehicle (subject to Section 3.3(b)(iv)), telephone,

gas cards or other Company credit cards, keys, computers, laptops, including any computer disks, software, facsimile machines, memory devices, printers, telephones, pagers or the like.

3.7 Delivery of Release. Within ten (10) working days after termination of Employee's employment, and as a condition for receipt of payments set forth in Section 3.3(b)(i)(B), 3.3(b)(iii), 3.3(b)(iv), 3.8(a) and 4.1(a), the Company shall provide to Employee, or Employee's legal representative, a form of written release, which form shall be satisfactory to the Company and generally consistent with the form of release used by the Company prior to such termination of employment (the "**Release**") and which shall provide a full release of all claims against the Company and its corporate affiliates, except where Employee has been named as a defendant in a legal action arising out of the performance of Employee's responsibilities in which case the Release will exempt any claims which Employee or his or her legal representative or estate may have for indemnity by the Company with respect to any such legal action. As a condition to the obligation of the Company to make the payments provided for in such Sections Employee, or Employee's legal representative, shall execute and deliver the Release to the Company within the time periods provided for in said release.

3.8 Retirement.

(a) If Employee voluntarily retires from the Company at any time after the fifth anniversary of February 1, 2018:

(i) The provisions of Section 3.3(b)(i)A. will apply, and provided Employee has given the Company at least 6 months written notice of his retirement, the provisions of Sections 3.3(b)(iii) and 3.3(b)(iv) above will also apply, and the Company will pay the Employee the amounts and will take the actions specified in those Sections on the basis that the Employee's retirement date shall be considered to be his termination date for purposes of those sections; and

(ii) provided Employee has given the Company at least 6 months written notice of his retirement, all of the stock options previously granted to the Employee that have neither vested nor expired will automatically vest and become immediately exercisable, and will continue to be exercisable for a period of six months after the Employee's date of retirement, any period of restriction and other restrictions imposed on all RSUs shall lapse, all RSUs shall be immediately settled and payable (or the shares issuable thereunder issued), the rights of Employee or his legal representative or estate as applicable upon retirement in respect of any SARs previously granted to Employee shall be the same as for a termination following a change in control as set out in Section 4.1(c) below, and all other securities awarded under the EFI 2018 Omnibus Equity Incentive Plan, as amended from time to time, or any other equity incentive plan shall vest and/or accelerate effective as of the date of retirement.

(iii) The parties acknowledge that additional retirement and successor provisions may be addressed in the future if and when appropriate, and corresponding amendments may be made to this Agreement at that time by written agreement of the parties.

ARTICLE 4
CHANGE OF CONTROL

4.1 Effect of Change of Control. In the event of a Change of Control of EFI during the term of this Agreement, or any renewal of this Agreement the following provisions shall apply:

(a) If upon the Change of Control

(i) Employee is not retained by EFI or its successor (whether direct or indirect, by purchase of assets, merger, consolidation, exchange of securities, amalgamation, arrangement or otherwise) to all or substantially all of the business and/or assets of EFI ("**Successor**") on the same terms and conditions as set out in this Agreement and in circumstances that would not constitute Good Reason (where Good Reason is determined by reference to Employee's employment status prior to the Change of Control and prior to any other event that could constitute Good Reason); and/or

(ii) any such Successor does not, by agreement in form and substance satisfactory to Employee, expressly assume and agree to perform this Agreement in the same manner and to the same extent that EFI would be required to perform it if no such succession had taken place,

then Employee shall be deemed to be terminated without just cause upon such Change of Control and shall be entitled to the compensation and all other rights specified in Article 3 in the same amount and on the same terms as if terminated without just cause as set out therein, subject to the additional rights set out in paragraph (c) below;

(b) All rights of Employee in this Agreement, including without limitation all rights to severance and other rights upon a termination with or without cause, with or without Good Reason, upon a disability or upon death under Article 3 of this Agreement shall continue after a Change of Control in the same manner as before the Change of Control, subject to the additional rights set out in paragraph (c) below;

(c) if,

(i) there is a deemed termination without cause under Section 4.1(a); or

(ii) within twelve (12) months following the effective date of the Change of Control, EFI, or its successor, terminates the employment of Employee without just cause or by reason of Disability, or Employee terminates his or her employment under this Agreement for Good Reason,

then, in addition to the other rights Employee has under this Agreement, and notwithstanding any other provision in this Agreement, all of the stock options previously granted to Employee that have neither vested nor expired will automatically vest and become immediately exercisable, any period of restriction and other restrictions imposed on all RSUs shall lapse, and all RSUs shall be immediately settled and payable, the rights of Employee or his legal representative or estate as applicable upon termination in respect of any SARs previously granted to Employee shall be as set forth in the award agreement for any such SARs, and all other securities awarded shall vest and/or accelerate in accordance with Article 15 of the 2018 EFI Omnibus Equity Incentive Plan, as amended from time to time, or the comparable provisions of any other equity incentive plan under which such securities may have been issued. Employee will have ninety (90) days from the effective date of the termination of Employee's employment to exercise any stock options which had vested as of the effective date of termination and thereafter Employee's stock options will expire and Employee will have no further right to exercise the stock options.

4.2 Definitions of Change of Control and Good Reason. For the purposes of this Agreement,

(a) "Change of Control" will mean the happening of any of the following events:

(i) any transaction at any time and by whatever means pursuant to which (A) EFI goes out of existence by any means, except for any corporate transaction or reorganization in which the proportionate voting power among holders of securities of the entity resulting from such corporate transaction or reorganization is substantially the same as the proportionate voting power of such holders of EFI voting securities immediately prior to such corporate transaction or reorganization or (B) any Person (as defined in the *Securities Act* (Ontario)) or any group of two or more Persons acting jointly or in concert (other than EFI, a wholly-owned Subsidiary of EFI, an employee benefit plan of EFI or of any of its wholly-owned Subsidiaries (as defined in the *Securities Act* (Ontario)), including the trustee of any such plan acting as trustee) hereafter acquires the direct or indirect "beneficial ownership" (as defined by the *Business Corporations Act* (Ontario)) of, or acquires the right to exercise control or direction over, securities of EFI representing 50% or more of EFI's then issued and outstanding securities in any manner whatsoever, including, without limitation, as a result of a take-over bid, an exchange of securities, an amalgamation of EFI with any other entity, an arrangement, a capital reorganization or any other business combination or reorganization;

(ii) the sale, assignment or other transfer of all or substantially all of the assets of EFI in one or a series of transactions, whether or not related, to a Person or any group of two or more Persons acting jointly or in concert, other than a wholly-owned Subsidiary of EFI;

(iii) the dissolution or liquidation of EFI except in connection with the distribution of assets of EFI to one or more Persons which were wholly-owned Subsidiaries of EFI immediately prior to such event;

(iv) the occurrence of a transaction requiring approval of EFI's shareholders whereby EFI is acquired through consolidation, merger, exchange of securities, purchase of assets, amalgamation, arrangement or otherwise by any other Person (other than a short form amalgamation or exchange of securities with a wholly-owned Subsidiary of EFI);

(v) a majority of the members of the Board of Directors of EFI are replaced or changed as a result of or in connection with any: (A) take-over bid, consolidation, merger,

exchange of securities, amalgamation, arrangement, capital reorganization or any other business combination or reorganization involving or relating to EFI; (B) sale, assignment or other transfer of all or substantially all of the assets of EFI in one or a series of transactions, or any purchase of assets; or (C) dissolution or liquidation of EFI;

(vi) during any two-year period, a majority of the members of the Board of Directors of EFI serving at the date of this Agreement is replaced by directors who are not nominated and approved by the Board of Directors of EFI;

(vii) an event set forth in (i), (ii), (iii), (iv), (v) or (vi) has occurred with respect to EFRI or any of its direct or indirect parent companies, in which case the term "EFI" in those paragraphs will be read to mean "EFRI or such parent company" and the phrase "wholly-owned Subsidiary(ies)" will be read to mean "Affiliate(s) or wholly-owned Subsidiary(ies)"; or

(viii) the Board of Directors of EFI passes a resolution to the effect that, an event set forth in (i), (ii), (iii), (iv), (v), (vi) or (vii) above has occurred.

(b) "Good Reason" means, without the written agreement of Employee, there is:

(i) a material reduction or diminution in the level of responsibility, or office of Employee, provided that before any claim of material reduction or diminution of responsibility may be relied upon by Employee, Employee must have provided written notice to Employee's supervisor and the EFI's Board of Directors of the alleged material reduction or diminution of responsibility and have given EFI at least thirty (30) calendar days within which to cure the alleged material reduction or diminution of responsibility;

(ii) a reduction in the Employee's Base Salary, Target Cash Bonus Percentage or Target Equity Award Percentage; or

(iii) a proposed, forced relocation of Employee to another geographic location greater than fifty (50) miles from Employee's office location at the time a move is requested after a Change of Control.

ARTICLE 5
CONFIDENTIALITY

5.1 Position of Trust and Confidence. Employee acknowledges that in the course of discharging his or her responsibilities, he or she will occupy a position of trust and confidence with respect to the affairs and business of the Company and its customers and clients, and that he or she will have access to and be entrusted with detailed confidential information concerning the present and contemplated mining and exploration projects, prospects, and opportunities of the Company. Employee acknowledges that the disclosure of any such confidential information to the competitors of the Company or to the general public would be highly detrimental to the best interests of the Company. Employee further acknowledges and agrees that the right to maintain such detailed confidential information constitutes a proprietary right which the Company is entitled to protect.

5.2 Definition of Confidential Information. In this Agreement, "Confidential Information" means any information disclosed by or on behalf of the Company to Employee or developed by Employee

in the performance of his or her responsibilities at any time before or after the execution of this Agreement, and includes any information, documents, or other materials (including, without limitation, any drawings, notes, data, reports, photographs, audio and/or video recordings, samples and the like) relating to the business or affairs of the Company or its respective customers, clients or suppliers that is confidential or proprietary, whether or not such information:

(i) is reduced to writing;

(ii) was created or originated by an employee; or

(iii) is designated or marked as "Confidential" or "Proprietary" or some other designation or marking.

The Confidential Information includes, but is not limited to, the following categories of information relating to the Company:

(a) information concerning the present and contemplated mining, milling, processing and exploration projects, prospects and opportunities, including joint venture projects, of the Company;

(b) information concerning the application for permitting and eventual development or construction of the Company's properties, the status of regulatory and environmental matters, the compliance status with respect to licenses, permits, laws and regulations, property and title matters and legal and litigation matters;

(c) information of a technical nature such as ideas, discoveries, inventions, improvements, trade secrets, now-how, manufacturing processes, specifications, writings and other works of authorship;

(d) financial and business information such as the Company's business and strategic plans, earnings, assets, debts, prices, pricing structure, volume of purchases or sales, production, revenue and expense projections, historical financial statements, financial projections and budgets, historical and projected sales, capital spending budgets and plans, or other financial data whether related to the Company's business generally, or to particular products, services, geographic areas, or time periods;

(e) supply and service information such as goods and services suppliers' names or addresses, terms of supply or service contracts of particular transactions, or related information about potential suppliers to the extent that such information is not generally known to the public, and to the extent that the combination of suppliers or use of a particular supplier, although generally known or available, yields advantages to the Company, the details of which are not generally known;

(f) marketing information, such as details about ongoing or proposed marketing programs or agreements by or on behalf of the Company, sales forecasts or results of marketing efforts or information about impending transactions;

(g) personnel information relating to employees, contractors, or agents, such as personal histories, compensation or other terms of employment or engagement, actual or proposed promotions, hirings, resignations, disciplinary actions, terminations or reasons therefor, training methods, performance, or other employee information;

(h) customer information, such as any compilation of past, existing or prospective customer's names, addresses, backgrounds, requirements, records of purchases and prices, proposals or agreements between customers and the Company, status of customer accounts or credit, or related information about actual or prospective customers;

(i) computer software of any type or form and in any stage of actual or anticipated development, including but not limited to, programs and program modules, routines and subroutines, procedures, algorithms, design concepts, design specifications (design notes, annotations, documentation, float charts, coding sheets, and the like), source codes, object code and load modules, programming, program patches and system designs; and

(j) all information which becomes known to Employee as a result of Employee's employment by the Company, which Employee acting reasonably, believes or ought to believe is confidential or proprietary information from its nature and from the circumstances surrounding its disclosure to Employee.

5.3 Non-Disclosure. Employee, both during his or her employment and for a period of five (5) years after the termination of his or her employment irrespective of the time, manner or cause of termination, will:

(a) retain in confidence all of the Confidential Information;

(b) refrain from disclosing to any person including, but not limited to, customers and suppliers of the Company, any of the Confidential Information except for the purpose of carrying out Employee's responsibilities with the Company, and

(c) refrain from directly or indirectly using or attempting to use such Confidential Information in any way, except for the purpose of carrying out Employee's responsibilities with the Company.

Employee shall deliver promptly to the Company, at the termination of Employee's employment, or at any other time at the Company's request, without retaining any copies, all documents and other material in Employee's possession relating, directly or indirectly, to any Confidential Information.

It is understood that should Employee be subject to subpoena or other legal process to seek the disclosure of such Confidential Information, Employee will advise the Company of such process and provide the Company with the necessary information to seek to protect the Confidential Information.

5.4 Whistleblower Laws. The foregoing obligations of confidentiality set out in this Article 5 are subject to applicable whistleblower laws, which protect Employee's right to provide information to governmental and regulatory authorities, including communications with the U.S. Securities and Exchange Commission about possible securities law violations. Notwithstanding any other provision in this Agreement, Employee is not required to seek the Company's permission or notify the Company of any communications made in compliance with applicable whistleblower laws, and the Company will not consider any such communications to violate this Agreement or any other agreement between Employer and the Company or any Company policy by which Employee is bound.

ARTICLE 6
NON-SOLICITATION

6.1 Non-Solicitation. Employee agrees that during the period (the "Non-Solicitation Period") commencing on the date of this Agreement and ending twelve (12) months after the effective date of the termination of Employee's employment irrespective of the time, manner or cause of termination, Employee will not, either individually or in partnership or jointly or in conjunction with any other person, entity or organization, as principal, agent, consultant, contractor, employer, employee or in any other manner, directly or indirectly:

(a) solicit business from any customer, client or business relation of the Company, or prospective customer, client or business relation that the Company was actively soliciting, whether or not Employee had direct contact with such customer, client or business relation, for the benefit or on behalf of any person, firm or corporation operating a business which competes with the Company, or attempt to direct any such customer, client or business relation away from the Company or to discontinue or alter any one or more of their relationships with the Company; or

(b) hire or offer to hire or entice away or in any other manner persuade or attempt to persuade any officer, employee, consultant, independent contractor, agent, licensee, supplier, or business relation of the Company to discontinue or alter any one of their relationships with the Company.

6.2 Remedies for Breach of Restrictive Covenants. Employee acknowledges that in connection with Employee's employment he or she will receive or will become eligible to receive substantial benefits and compensation. Employee acknowledges that Employee's employment by the Company and all compensation and benefits from such employment will be conferred by the Company upon Employee only because and on the condition of Employee's willingness to commit Employee's best efforts and loyalty to the Company, including protecting the Company's confidential information and abiding by the non-solicitation covenants contained in this Agreement. Employee understands that his obligations set out in Article 5 and this Article 6 will not unduly restrict or curtail Employee's legitimate efforts to earn a livelihood following any termination of his or her employment with the Company. Employee agrees that the restrictions contained in Article 5 and this Article 6 are reasonable and valid and all defenses to the strict enforcement of these restrictions by the Company are waived by Employee. Employee further acknowledges that a breach or threatened breach by Employee of any of the provisions contained in Article 5 or this Article 6 would cause the Company irreparable harm which could not be adequately compensated in damages alone. Employee further acknowledges that it is essential to the effective enforcement of this Agreement that, in addition to any other remedies to which the Company may be entitled at law or in equity or otherwise, the Company will be entitled to seek and obtain, in a summary manner, from any Court having jurisdiction, interim, interlocutory, and permanent injunctive relief, specific performance and other equitable remedies, without bond or other security being required. In addition to any other remedies to which the Company may be entitled at law or in equity or otherwise, in the event of a breach of any of the covenants or other obligations contained in this Agreement, the Company will be entitled to an accounting and repayment of all profits, compensation, royalties, commissions, remuneration or benefits which Employee directly or indirectly, has realized or may realize relating to, arising out of, or in connection with any such breach. Should a court of competent jurisdiction declare any of the covenants set forth in Article 5 or this Article 6 unenforceable, the court shall be empowered to modify and reform such covenants so as to provide relief reasonably necessary to protect the interests of the Company and Employee and to award injunctive relief, or damages, or both, to which the Company may be entitled.

ARTICLE 7
GENERAL PROVISIONS

7.1 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the state of Colorado.

7.2 Assignability. This Agreement is personal to Employee and without the prior written consent of the Company shall not be assignable by Employee other than by will or the laws of descent and distribution. This Agreement shall inure to the benefit of and be enforceable by Employee's legal representatives and heirs. This Agreement shall also inure to the benefit of and be binding upon the Company and its successors and assigns.

7.3 Withholding. The Company may withhold from any amounts payable under this Agreement such federal, state or local taxes as shall be required to be withheld pursuant to any applicable law or regulation.

7.4 Entire Agreement; Amendment. This Agreement constitutes the entire agreement and understanding between Employee and the Company with respect to the subject matter hereof and, except as otherwise expressly provided herein, supersedes any prior agreements or understandings, whether written or oral, with respect to the subject matter hereof, including without limitation all employment, severance or change of control agreements previously entered into between Employee and the Company. Except as may be otherwise provided herein, this Agreement may not be amended or modified except by subsequent written agreement executed by both parties hereto.

7.5 Section 409A. This Agreement is intended to comply with Section 409A to the extent Section 409A is applicable to this Agreement. Notwithstanding any other provision of this Agreement to the contrary, this Agreement shall be interpreted, operated and administered by the Company in a manner consistent with such intention and to avoid the pre-distribution inclusion in income of amounts deferred under this Agreement and the imposition of any additional tax or interest with respect thereto. Notwithstanding any other provision of this Agreement to the contrary, to the extent that any payment under this Agreement constitutes "nonqualified deferred compensation" under Section 409A, the following shall apply to the extent Section 409A is applicable to such payment:

(a) Any payable that is triggered upon the Employee's termination of employment shall be paid only if such termination of employment constitutes a "separation from service" under Section 409A; and

(b) All expenses or other reimbursements paid pursuant to this Agreement that are taxable income to Employee shall be paid no later than the end of the calendar year next following the calendar year in which Employee incurs such expense. With regard to any provision herein that provides for reimbursement of costs and expenses or in-kind benefits, except as permitted by Section 409A, (a) the right to reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit, (b) the amount of expenses eligible for reimbursement, or in-kind benefits, provided during any taxable year shall not affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other taxable year; and (c) such payments shall be made on or before the last day of Employee's taxable year following the taxable year in which the expense occurred. For purposes of Section 409A, Employee's right to receive installment payments of any severance amount, if applicable, shall be treated as a right to receive a series of separate and distinct payments.

In the event that Employee is deemed on the date of termination to be a "specified employee" as defined in Section 409A, then with regard to any payment or the provision of any benefit that is subject to Section 409A and is payable on account of a separation from service (as defined in Section 409A), such payment or benefit shall be delayed for until the earlier of (a) the first business day of the seventh calendar month following such termination of employment, or (b) Employee's death. Any payments delayed by reason of the prior sentence shall be paid in a single lump sum, without interest thereon, on the date indicated by the previous sentence and any remaining payments due under this Agreement shall be paid as otherwise provided herein.

7.6 Multiple Counterparts. This Agreement may be executed in multiple counterparts, each of which shall constitute an original, but all of which together shall constitute one Agreement.

7.7 Notices. Any notice provided for in this Agreement shall be deemed delivered upon deposit in the United States mails, registered or certified mail, addressed to the party to whom directed at the addresses set forth below or at such other addresses as may be substituted therefor by notice given hereunder. Notice given by any other means must be in writing and shall be deemed delivered only upon actual receipt.

If to the Company:

c/o Energy Fuels Resources (USA) Inc.
225 Union Blvd., Suite 600
Lakewood, CO 80228

Attention: Chairman of the Board of Energy Fuels Inc.

If to Employee:

Mark S. Chalmers
13019 W. 73rd Place
Arvada, CO 80005

7.8 Waiver. The waiver of any term or condition of this Agreement, or any breach thereof, shall not be deemed to constitute the waiver of the same or any other term or condition of this Agreement, or any breach thereof.

7.9 Severability. In the event any provision of this Agreement is found to be unenforceable or invalid, such provision shall be severable from this Agreement and shall not affect the enforceability or validity of any other provision of this Agreement. If any provision of this Agreement is capable of two constructions, one of which would render the provision void and the other that would render the provision valid, then the provision shall have the construction that renders it valid.

7.10 Arbitration of Disputes. Except for disputes and controversies arising under Articles 5 or 6 or involving equitable or injunctive relief, any dispute or controversy arising under or in connection with this Agreement shall be conducted in accordance with the Colorado Rules of Civil Procedure and, unless the parties mutually agree on an arbitrator shall be arbitrated by striking from a list of potential arbitrators provided by the Judicial Arbiter Group in Denver, Colorado. If the parties are unable to agree on an arbitrator, the arbitrator will be selected from a list of seven (7) potential

arbitrators provided by the Judicial Arbiter Group in Denver. The Company and Employee will flip a coin to determine who will make the first strike. The parties will then alternate striking from the list until there is one arbitrator remaining, who will be the selected arbitrator. Unless the parties otherwise agree and subject to the availability of the arbitrator, the arbitration will be heard within sixty (60) days following the appointment, and the decision of the arbitrator shall be binding on Employee and the Company and will not be subject to appeal. Judgment may be entered on the arbitrator's award in any court having jurisdiction.

7.11 Currency. Except as expressly provided in this Agreement, all amounts in this Agreement are stated and shall be paid in United States dollars ($US).

7.12 Company's Maximum Obligations. The compensation set out in this Agreement represents the Company's maximum obligations, and other than as set out herein, Employee will not be entitled to any other compensation, rights or benefits in connection with Employee's employment or the termination of Employee's employment.

7.13 Full Payment; No Mitigation Obligation. The Company's obligation to make the payments provided for in this Agreement and otherwise to perform its obligations hereunder shall be subject to any set-off, counterclaim, recoupment, defense or other claim, right or action which the Company may have against Employee.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date.

ENERGY FUELS INC.

By: /s/ J. Birks Bovaird
Name: J. Birks Bovaird
Title: Chairman of the Board
Date: March 28, 2019

ENERGY FUELS RESOURCES (USA) INC.

By: /s/ David C. Frydenlund
Name: David C. Frydenlund
Title: Chief Financial Officer, General Counsel and Corporate Secretary
Date: March 28, 2019

/s/ Mark S. Chalmers
Name: Mark S. Chalmers
Title: President and Chief Executive Officer
Date: March 28, 2019

EXHIBIT A
JOB DESCRIPTION

Employee will discharge the responsibilities and exercise the authority expected of a President and Chief Executive Officer of a public mining company. More specifically, in addition to exercising general control of and supervision over the Company's affairs, the following are the responsibilities of the President and Chief Executive Officer:

A. Foster a corporate culture that promotes ethical practices, encourages individual integrity and fulfills social responsibility;

B. Maintain a positive and ethical work climate that is conducive to attracting, retaining and motivating a diverse group of top-quality employees at all levels;

C. Develop and recommend to the Board, a long-term strategy and vision for the Company that leads to the creation of shareholder value;

D. Develop and recommend to the Board, annual business plans and budgets that support the Company's long term strategy;

E. Determine the appropriate use of technology;

F. Develop and recommend to the Board, the allocation of capital necessary to achieve the Company's business plan;

G. Ensure that the day-to-day business affairs of the Company are appropriately managed, including evaluation of the Company's operating performance and initiating appropriate action where required;

H. Consistently strive to achieve the Company's financial and operating goals and objectives;

I. Ensure fair presentation of the financial condition of the Company in continuous disclosure documents, and oversight and assessment of internal and disclosure controls of the Company;

J. Ensure that the Company builds and maintains a strong positive relationship with its investors;

K. Ensure that the Company achieves and maintains a competitive position within the industry;

L. Ensure that the Company builds and maintains a strong positive relationship with its employees;

M. Ensure that the Company has an effective management team below the level of CEO and has an active plan for their development and succession;

N. Formulate and oversee the implementation of major corporate policies;

O. Ensure compliance with the Company's Corporate Disclosure Policy, Environment, Health and Safety Policy and other policies;

P. Build and maintain strong relationships with the corporate and public community; and

Q. Ensure management support for Board Committees.

Employee shall report to the Board of Directors of EFI.

This position will be located in the Lakewood office with frequent travel as required.

Performance is to be based on Board-approved Performance Goals pursuant to EFI's STIP and LTIP, which will be evaluated once per year.

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT ("**Agreement**") is effective as of the 28th day of March, 2019 (the "**Effective Date**"), by and between Energy Fuels Resources (USA) Inc., a Delaware corporation ("**EFRI**"), Energy Fuels Inc., an Ontario corporation ("**EFI**") (EFRI and EFI are collectively referred to herein as the "**Company**") and David C. Frydenlund ("**Employee**").

In consideration of the agreements contained in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company and Employee hereby agree as follows:

ARTICLE 1
EMPLOYMENT, REPORTING AND DUTIES

1.1 Employment. The Company hereby employs and engages the services of Employee to serve as Chief Financial Officer, General Counsel and Corporate Secretary and Employee agrees to diligently and competently serve as and perform the functions of Chief Financial Officer, General Counsel and Corporate Secretary for the compensation and benefits stated herein. A copy of Employee's current job description is attached hereto as Exhibit A, and Company and Employee agree and acknowledge that, subject to Section 4.2(b), Company retains the right to reasonably add to, or remove, duties and responsibilities set forth in that job description as business or other operating reasons may arise for changes to occur. It is understood that Employee will be appointed an officer of EFI and EFRI during the term of this Agreement, but that Employee's direct employment relationship will be as an employee of EFRI.

1.2 Fulltime Service. Excluding any periods of vacation and sick leave to which Employee may be entitled, Employee agrees to devote Employee's full time and energies to the responsibilities with the Company consistent with past practice and shall not, during the Term of this Agreement, be engaged in any business activity which would interfere with or prevent Employee from carrying out Employee's duties under this Agreement.

ARTICLE 2
COMPENSATION AND RELATED ITEMS

2.1 Compensation.

As compensation and consideration for the services to be rendered by Employee under this Agreement, the Company agrees to pay Employee and Employee agrees to accept:

(a) *Base Salary and Benefits*. A base salary ("**Base Salary**") of $287,116 per annum, less required tax withholding, which shall be paid in accordance with the Company's standard payroll practice. Employee's Base Salary may be increased from time to time (but not decreased, including after any increase, without Employee's written consent), at the discretion of the Company, and after any such change, Employee's new level of Base Salary shall be Employee's Base Salary for purposes of this Agreement until the effective date of any subsequent change. Employee shall also receive benefits such as health insurance, vacation and other benefits consistent with the then applicable Company benefit plans to the same extent as other employees of the Company with similar position or level. Employee understands and agrees that, subject to Sections 2.1(b) and (c) below, Company's benefit plans may, from time to time, be modified or eliminated at Company's discretion.

(b) *Cash Bonus*. A cash bonus opportunity (the "**Cash Bonus**") during each calendar year with a target (the "**Target Cash Bonus**") equal to forty percent (40)% (the "**Target Cash Bonus Percentage**") of Employees' Base Salary for the year in which the cash bonus is paid, such cash bonus to be paid in accordance with the Company's existing Short Term Incentive Plan, as such plan may be amended or replaced from time to time, or the equivalent (the "**STIP**"). Pursuant to the terms of the STIP, each annual Cash Bonus shall be payable based on the achievement of performance goals, and may be higher or lower than the Target Cash Bonus based on achievement of those goals. For each calendar year during the term of this Agreement, the Board (or the Compensation Committee) of EFI will determine and will establish in writing (i) the applicable STIP performance goals, which shall be reasonably achievable and if achieved would result in payment of the Target Cash Bonus, (iii) the percentage of annual Base Salary to be payable to Employee if some lesser or greater percentage of the annual STIP performance goals are achieved, and (iv) such other applicable terms and conditions of the STIP necessary to satisfy the requirements of Section 409A ("**Section 409A**") of the Internal Revenue Code of 1986, as amended (the "**Code***)*; and

(c) *Equity Award*. An equity award opportunity (the "**Equity Award**") during each calendar year with a target value (the "**Target Equity Award**") equal to eighty percent (80)% (the "**Target Equity Award Percentage**") of Employee's Base Salary for the year in which the award is granted, such equity award to be awarded in accordance with the Company's existing Long Term Incentive Plan, as such plan may be amended or replaced from time to time, or the equivalent (the "**LTIP**"). Pursuant to the terms of the LTIP, each annual equity award shall be made based on the achievement of performance goals, and may be higher or lower than the Target Equity Award based on achievement of those goals. For each calendar year during the term of this Agreement, the Board (or the Compensation Committee) of EFI will determine and will establish in writing (i) the applicable LTIP performance goals, which shall be reasonably achievable and if achieved would result in payment of the Target Equity Award, (iii) the percentage of annual Base Salary value to be awarded in equity to Employee if some lesser or greater percentage of the annual LTIP performance goals are achieved, and (iv) such other applicable terms and conditions of the LTIP necessary to satisfy the requirements of Section 409A of the Code.

2.2 Annual Medical. The Company will reimburse Employee for the cost of a comprehensive annual medical examination for each year of this Agreement, provided that Employee requests such reimbursement and such reimbursement is made no later than the last day of the calendar year following the calendar year in which the examination expense was incurred. Employee will promptly notify the President & CEO if the annual medical examination reveals any condition which, if untreated, is likely to interfere with Employee's ability to perform the essential requirements of his or her position, and if requested by the President & CEO, Employee will provide the details of the condition and the potential impact on his or her ability to perform the essential requirements of his or her position to enable the President & CEO to determine how best to accommodate Employee and protect the critical business interests of the Company.

2.3 Expenses. The Company agrees that Employee shall be allowed reasonable and necessary business expenses in connection with the performance of Employee's duties within the guidelines established by the Company as in effect at any time with respect to key employees ("**Business Expenses**"), including, but not limited to, reasonable and necessary expenses for food, travel, lodging, entertainment and other items in the promotion of the Company within such guidelines. The Company shall promptly reimburse Employee for all reasonable Business Expenses incurred by Employee upon Employee's presentation to the Company of an itemized account thereof, together with receipts, vouchers, or other supporting documentation.

2.4 Vacation. Employee will be entitled to four weeks of vacation each year, in addition to the 10 paid holidays each year. Carry over from one year to the next will be as per the Company's paid leave policy.

2.5 Use of Company Vehicle. Employee will be provided the full time use of a suitable vehicle for travel between the Lakewood office and home as well as for business travel to field sites as required, or the equivalent.

ARTICLE 3
TERMINATION

3.1 Term. Employee's employment under this Agreement shall commence on the Effective Date and will end on the date (the "**Initial Expiration Date**") that is the second anniversary of the Effective Date, unless terminated sooner under the provisions of this Article, or extended under the terms of this Section. If neither Company nor Employee provides written notice of intent not to renew this Agreement by ninety (90) days prior to the Initial Expiration Date, this Agreement shall be automatically renewed for twelve (12) additional months, and if neither Company nor Employee provides written notice of intent not to renew this Agreement prior to ninety (90) days before the end of such additional 12-month period, this Agreement shall continue to be automatically renewed for successive additional 12-month periods until such time either Company or Employee provides written notice of intent not to renew prior to ninety (90) days before the end of any such renewal period.

3.2 Termination of Employment. Except as may otherwise be provided herein, Employee's employment under this Agreement may terminate upon the occurrence of:

(a) Notice by Company. The termination date specified in a written notice of termination that is given by the Company to Employee;

(b) Notice by Employee. Thirty (30) days after written notice of termination is given by Employee to the Company;

(c) Death or Disability. Employee's death or, at the Company's option, upon Employee's becoming disabled;

(d) Deemed Termination Without Just Cause upon a Change of Control. A deemed termination without just cause under Section 4.1(a) upon the occurrence of a Change of Control; or

(e) Notice **Not** to Renew. If the Company or Employee gives the other a notice not to renew this Agreement under Section 3.1, employment under this Agreement shall terminate at the close of business at the end of the Initial Expiration Date or at the end of the 12-month renewal period in which timely notice not to renew was given, as the case may be. A notice by the Company not to renew shall be considered a notice of termination, resulting in the Company terminating Employee's employment under this Agreement.

Any notice of termination given by the Company to Employee under Section 3.2(a) or (e) above shall specify whether such termination is with or without just cause as defined in Section 3.4. Any notice of termination given by Employee to the Company under Section 3.2(b) above shall specify whether such termination is made with or without Good Reason as defined in Section 4.2(b).

3.3 Obligations of the Company Upon Termination.

(a) With Just Cause/Without Good Reason. If the Company terminates Employee's employment under this Agreement with just cause as defined in Section 3.4, or if Employee terminates his employment without Good Reason as defined in Section 4.2(b), in either case whether before or after a Change of Control

as defined in Section 4.2(a), then Employee's employment with the Company shall terminate without further obligation by the Company to Employee, other than payment of all accrued obligations ("**Accrued Obligations**"), including outstanding Base Salary, accrued vacation pay and any other cash benefits accrued up to and including the date of termination. That payment shall be made in one lump sum, less required tax withholding, within ten (10) working days after the effective date of such termination. Employee will have up to the earlier of: (A) ninety (90) days from the effective date of termination of Employee's employment; or (B) the date on which the exercise period of the particular stock option expires, to exercise only that portion of the stock options previously granted to Employee that have not been exercised, but which have vested, and thereafter Employee's stock options will expire and Employee will have no further right to exercise the stock options. Any stock options held by Employee that are not yet vested at the termination date immediately expire and are cancelled and forfeited to the Company on the termination date. Any Restricted Stock Units ("**RSUs**") held by Employee that have vested on or before the termination date shall be paid (or the shares issuable thereunder issued) to Employee. Any RSUs held by Employee that are not vested on or before the termination date will be immediately cancelled and forfeited to the Company on the termination date. The rights of Employee upon termination in respect of any Stock Appreciation Rights ("**SARs**") or other awards granted to Employee under any of the Company's equity compensation plans shall be as set forth in such plans or in the award agreement for any such awards, as applicable. Notwithstanding the foregoing, on retirement, Employee will have up to the earlier of: (A) one hundred and eighty (180) days from the effective date of retirement; or (B) the date on which the exercise period of the particular stock option expires, to exercise only that portion of the stock options previously granted to Employee that have not been exercised, but which have vested, and thereafter Employee's stock options will expire and Employee will have no further right to exercise the stock options.

(b) With Good Reason/Without Just Cause/Disabled/Death. If Employee terminates Employee's employment under this Agreement for Good Reason as defined in Section 4.2(b), or if the Company terminates Employee's employment without just cause as defined in Section 3.4, or if the Company terminates Employee's employment by reason of Employee becoming Disabled as defined in Section 3.5, or if Employee dies (in which case the date of Employee's death shall be considered his or her termination date), in any case whether before or after a Change of Control as defined in Section 4.2(a), or if there is a deemed termination without just cause upon a Change of Control as contemplated by Section 4.1(a), then Employee's employment with the Company shall terminate, as of the effective date of the termination, and in lieu of any other severance benefit that would otherwise be payable to Employee:

(i) the Company shall pay the following amounts to Employee (or, in the case of termination by reason of Employee becoming Disabled or upon the death of Employee, to Employee's legal representative or estate as applicable) after the effective date of such termination, or in a manner and at such later time as specified by Employee (or Employee's legal representative), and agreed to by the Company, subject to being in compliance with Section 409A of the Code:

(A) all Accrued Obligations, less required tax withholding, up to and including the date of termination, to be paid on the date of termination of employment, or within no more than five (5) working days thereafter, and the Company will reimburse the Employee for all proper expenses incurred by the Employee in discharging his responsibilities to the Company prior to the effective date of termination of the Employee's employment in accordance with Section 2.3 above; and

(B) an amount in cash equal to two (2.0) (the "**Severance Factor**") times the sum of Employee's Base Salary and Target Cash Bonus for the full year in which the Date of

Termination occurs, less required tax withholding, such amount to be paid within thirty (30) calendar days after the date Employee signs the Release contemplated by Section 3.7;

(ii) Employee or Employee's legal representative will have up to the earlier of: (A) ninety (90) days from the effective date of termination of Employee's employment for all cases other than the death of Employee and twelve (12) months from the effective date of termination of Employee's employment in the case of death of Employee; or (B) the date on which the exercise period of the particular stock option expires, to exercise only that portion of the stock options previously granted to Employee that have not been exercised, but which have vested, and thereafter Employee's stock options will expire and Employee or his or her legal representative will have no further right to exercise the stock options. Subject to Section 4.1(c), any stock options held by Employee that are not yet vested at the termination date immediately expire and are cancelled and forfeited to the Company on the termination date. Any RSUs held by Employee that have vested on or before the termination date shall be paid (or the shares issuable thereunder issued) to Employee or his or her legal representative or estate as applicable. Subject to Section 4.1(c), any RSUs held by Employee that are not vested on or before the termination date will be immediately cancelled and forfeited to the Company on the termination date. Subject to Section 4.1(c), the rights of Employee or his or her legal representative or estate as applicable upon termination in respect of any SARs or other awards granted to Employee under any of the Company's equity compensation plans shall be as set forth in such plans or in the award agreement for any such awards, as applicable;

(iii) Upon termination, the Company or its Successor (as defined in Section 4.1(a)), agrees to reimburse Employee the full cost of the COBRA continuation rate charged for employee and dependent coverage, through the EFRI Health and Welfare Plan on a monthly basis, for a period of months equal to twelve times the Severance Factor (the "**Coverage Period**"), beyond Employee's termination month. Employee and his or her dependents may, at their choosing, enroll in the COBRA continuation plan through EFRI for the first eighteen months following Employee's termination month or, if they choose, they may enroll in a separate plan of their choosing, by using the reimbursement to enroll in medical and prescription insurance of their choosing. Reimbursement at the rate described herein will continue for the Coverage Period beyond Employee's termination month, but beginning with the nineteenth month, Employee and his or her dependents will need to obtain coverage from a different source than the COBRA continuation plan through EFRI. The reimbursement will be to Employee and his or her dependents directly, and will be grossed up so that there is no negative tax impact to the Employee or his or dependents for coverage of the premiums charged by the insurance carriers for the COBRA continuation coverage for the current month of reimbursement. The reimbursed cost of COBRA coverage will be indexed annually, and will match the rate charged for any month of coverage available by the insurance carrier for Medical, Dental, and Optical coverage through EFRI for employee and spouse coverage. Both Employee and his or her dependents, will have the option of purchasing a medical plan separate from the plan offered by EFRI; and

(iv) Nothing herein shall preclude the Company from granting additional severance benefits to Employee upon termination of employment.

Notwithstanding the foregoing, in the case of Disability, any Base Salary payable to Employee during the one hundred and eighty (180) day period of disability will be reduced by the amount of any disability benefits Employee receives or is entitled to receive as a result of any disability insurance policies for which the Company has paid the premiums.

(c) Section 280G. Notwithstanding any other provisions of this Agreement, or any other plan, arrangement or agreement to the contrary, if any of the payments or benefits provided or to be provided by the Company or its affiliates to Employee or for Employee's benefit pursuant to the terms of this Agreement or otherwise ("**Covered Payments**") constitute "parachute payments" within the meaning of Section 280G of the Code and would, but for this Section 3.3(c) be subject to the excise tax imposed under Section 4999 of the Code (or any successor provision thereto) or any similar tax imposed by state or local law or any interest or penalties with respect to such taxes (collectively, the "**Excise Tax**"), then the following shall apply:

(i) If the Covered Payments, reduced by the sum of (1) the Excise Tax and (2) the total of the Federal, state, and local income and employment taxes payable by Employee on the amount of the Covered Payments which are in excess of three times Employee's "base amount" within the meaning of Section 280(G) of the Code less one dollar (the "**Threshold Amount**"), are greater than or equal to the Threshold Amount, Employee shall be entitled to the full benefits payable under this Agreement; and

(ii) If the Threshold Amount is less than (1) the Covered Payments, but greater than (2) the Covered Payments reduced by the sum of (x) the Excise Tax and (y) the total of the Federal, state, and local income and employment taxes on the amount of the Covered Payments which are in excess of the Threshold Amount, then the Covered Payments shall be reduced (but not below zero) to the extent necessary so that the sum of all Covered Payments shall not exceed the Threshold Amount. In such event, the Covered Payments shall be reduced in the following order: (A) cash payments not subject to Section 409A; (B) cash payments subject to Section 409A; (C) equity-based payments and acceleration; and (D) non-cash forms of benefits. To the extent any payment is to be made over time (e.g., in installments, etc.), then the payments shall be reduced in reverse chronological order.

The determination as to which of the alternative provisions of Section 3.3(c)(ii) shall apply to Employee shall be made by a nationally recognized accounting firm selected by the Company (the "**Accounting Firm**"), which shall provide detailed supporting calculations both to the Company and Employee within 15 business days of the date of termination, if applicable, or at such earlier time as is reasonably requested by the Company or Employee. For purposes of determining which of the alternative provisions of Section 3.3(c)(ii) shall apply, Employee shall be deemed to pay Federal income taxes at the highest marginal rate of Federal income taxation applicable to individuals for the calendar year in which the determination is to be made, and state and local income taxes at the highest marginal rates of individual taxation in the state and locality of Employee's residence on the date of termination, net of the maximum reduction in Federal income taxes which could be obtained from deduction of such state and local taxes. Any determination by the Accounting Firm shall be binding upon the Company and Employee.

3.4 Definition of Just Cause.

As used in this Agreement, the term "just cause" will mean any one or more of the following events:

(a) theft, fraud, dishonesty, or misappropriation by Employee involving the property, business or affairs of the Company or the discharge of Employee's responsibilities or the exercise of his or her authority;

(b) willful misconduct or the willful failure by Employee to properly discharge his or her responsibilities or to adhere to the policies of the Company;

(c) Employee's gross negligence in the discharge of his or her responsibilities or involving the property, business or affairs of the Company to the material detriment of the Company;

(d) Employee's conviction of a criminal or other statutory offence that constitutes a felony or which has a potential sentence of imprisonment greater than six (6) months or Employee's conviction of a criminal or other statutory offence involving, in the sole discretion of the Board of Directors of EFI, moral turpitude;

(e) Employee's material breach of a fiduciary duty owed to the Company;

(f) any material breach by Employee of the covenants contained in Articles 5 or 6 below;

(g) Employee's unreasonable refusal to follow the lawful written direction of the President and Chief Executive Officer of the Company on any material matter;

(h) any conduct of Employee which, in the reasonable opinion of the President and Chief Executive Officer of the Company or Board of Directors of EFI, is materially detrimental or embarrassing to the Company; or

(i) any other conduct by Employee that would constitute "just cause" as that term is defined at law.

The Company must provide written notice to Employee prior to termination for just cause pursuant to Section 3.4 (c), (f), (g), (h), or (i) and provide Employee the opportunity to correct and cure the failure within thirty (30) days from the receipt of such notice. If the parties disagree as to whether the Company had just cause to terminate the Employee's employment, the dispute will be submitted to binding arbitration pursuant to Section 7.10 below.

3.5 Definition of Disabled. As used herein, "Disabled" shall mean a mental or physical impairment which, in the reasonable opinion of a qualified doctor selected by mutual agreement of the Company and Employee acting reasonably, renders Employee unable, with reasonable accommodation, to perform with reasonable diligence the essential functions and duties of Employee on a full-time basis in accordance with the terms of this Agreement, which inability continues for a period of not less than 180 consecutive days. The providing of service to the Company for up to two (2) three (3) day periods during the one hundred and eighty (180) day period of disability will not affect the determination as to whether Employee is Disabled and will not restart the one hundred and eighty (180) day period of disability. If any dispute arises between the parties as to whether Employee is Disabled, Employee will submit to an examination by a physician selected by the mutual agreement of the Company and Employee acting reasonably, at the Company's expense. The decision of the physician will be certified in writing to the Company, and will be sent by the Physician to Employee or Employee's legally authorized representative, and will be conclusive for the purposes of determining whether Employee is Disabled. If Employee fails to submit to a medical examination within twenty (20) days after the Company's request, Employee will be deemed to have voluntarily terminated his or her employment.

3.6 Return of Materials; Confidential Information. In connection with Employee's separation from employment for any reason, Employee shall return any and all physical property belonging to the Company, and all material of whatever type containing "Confidential Information" as defined in Section 5.2 below, including, but not limited to, any and all documents, whether in paper or electronic form, which contain

Confidential Information, any customer information, production information, manufacturing-related information, pricing information, files, memoranda, reports, pass codes/access cards, training or other reference manuals, Company vehicle, telephone, gas cards or other Company credit cards, keys, computers, laptops, including any computer disks, software, facsimile machines, memory devices, printers, telephones, pagers or the like.

3.7 Delivery of Release. Within ten (10) working days after termination of Employee's employment, and as a condition for receipt of payments set forth in Section 3.3(b)(i)(B), 3.3(b)(iii), and 4.1(a), the Company shall provide to Employee, or Employee's legal representative, a form of written release, which form shall be satisfactory to the Company and generally consistent with the form of release used by the Company prior to such termination of employment (the "**Release**") and which shall provide a full release of all claims against the Company and its corporate affiliates, except where Employee has been named as a defendant in a legal action arising out of the performance of Employee's responsibilities in which case the Release will exempt any claims which Employee or his or her legal representative or estate may have for indemnity by the Company with respect to any such legal action. As a condition to the obligation of the Company to make the payments provided for in such Sections Employee, or Employee's legal representative, shall execute and deliver the Release to the Company within the time periods provided for in said release.

3.8 Costs of Relocation to Canada on a Termination. In the event of any termination, and in addition to all other amounts payable to Employee hereunder, the Company will reimburse all Employee's direct costs of relocating from Denver to Vancouver, provided such relocation occurs within 14 months from the date of termination of Employee's employment hereunder. This would include the costs associated with the sale of Employee's residence in Denver (i.e., reasonable realtor commissions and legal, documentation and filing fees associated therewith), cost of moving personal possessions and family members (including the cost of airplane tickets for Employee and Employee's immediate family for one air flight) and a lump sum payment to cover estimated U.S. or Canadian income taxes payable on the relocation costs paid to you. Employee will discuss with the Company and consider any legitimate planning methods for the minimization of any such taxes. This will not include any costs associated with the purchase of a new residence in Canada, or any temporary lodging expenses in Canada or Denver. This paragraph will also apply to relocation from Denver to another location in Canada other than Vancouver, but only to the extent such costs do not exceed the costs that would apply to a relocation to Vancouver. Notwithstanding the foregoing, this clause will not apply to the extent the costs contemplated in this clause are paid by another employer.

ARTICLE 4
CHANGE OF CONTROL

4.1 Effect of Change of Control. In the event of a Change of Control of EFI during the term of this Agreement, or any renewal of this Agreement the following provisions shall apply:

(a) If upon the Change of Control

(i) Employee is not retained by EFI or its successor (whether direct or indirect, by purchase of assets, merger, consolidation, exchange of securities, amalgamation, arrangement or otherwise) to all or substantially all of the business and/or assets of EFI ("**Successor**") on the same terms and conditions as set out in this Agreement and in circumstances that would not constitute Good Reason (where Good Reason is determined by reference to Employee's employment status prior to the Change of Control and prior to any other event that could constitute Good Reason); and/ or

(ii) any such Successor does not, by agreement in form and substance satisfactory to Employee, expressly assume and agree to perform this Agreement in the same manner and to the same extent that EFI would be required to perform it if no such succession had taken place,

then Employee shall be deemed to be terminated without just cause upon such Change of Control and shall be entitled to the compensation and all other rights specified in Article 3 in the same amount and on the same terms as if terminated without just cause as set out therein, subject to the additional rights set out in paragraph (c) below;

(b) All rights of Employee in this Agreement, including without limitation all rights to severance and other rights upon a termination with or without cause, with or without Good Reason, upon a disability or upon death under Article 3 of this Agreement shall continue after a Change of Control in the same manner as before the Change of Control, subject to the additional rights set out in paragraph (c) below;

(c) if,

(i) there is a deemed termination without cause under Section 4.1(a); or

(ii) within twelve (12) months following the effective date of the Change of Control, EFI, or its successor, terminates the employment of Employee without just cause or by reason of Disability, or Employee terminates his or her employment under this Agreement for Good Reason,

then, in addition to the other rights Employee has under this Agreement, and notwithstanding any other provision in this Agreement, all of the stock options previously granted to Employee that have neither vested nor expired will automatically vest and become immediately exercisable, any period of restriction and other restrictions imposed on all RSUs shall lapse, and all RSUs shall be immediately settled and payable, the rights of Employee or his legal representative or estate as applicable upon termination in respect of any SARs previously granted to Employee shall be as set forth in the award agreement for any such SARs, and all other securities awarded shall vest and/or accelerate in accordance with Article 15 of the 2018 EFI Omnibus Equity Incentive Plan, as amended from time to time, or the comparable provisions of any other equity incentive plan under which such securities may have been issued. Employee will have ninety (90) days from the effective date of the termination of Employee's employment to exercise any stock options which had vested as of the effective date of termination and thereafter Employee's stock options will expire and Employee will have no further right to exercise the stock options.

4.2 Definitions of Change of Control and Good Reason. For the purposes of this Agreement,

(a) "Change of Control" will mean the happening of any of the following events:

(i) any transaction at any time and by whatever means pursuant to which (A) EFI goes out of existence by any means, except for any corporate transaction or reorganization in which the proportionate voting power among holders of securities of the entity resulting from such corporate transaction or reorganization is substantially the same as the proportionate voting power of such holders of EFI voting securities immediately prior to such corporate transaction or reorganization or (B) any Person (as defined in the *Securities Act* (Ontario)) or any group of two or more Persons acting jointly or in concert (other than EFI, a wholly-owned Subsidiary of EFI, an employee benefit plan of EFI or of any of its wholly-owned Subsidiaries (as defined in the *Securities Act* (Ontario)), including the trustee of any such plan acting as trustee) hereafter acquires the direct or indirect "beneficial ownership" (as defined by the *Business Corporations Act* (Ontario)) of, or acquires the right to exercise control or direction over, securities of EFI representing 50% or more of EFI's then issued and outstanding securities in any manner whatsoever, including, without limitation, as a result of a take-over bid, an exchange of securities, an amalgamation of EFI with any other entity, an arrangement, a capital reorganization or any other business combination or reorganization;

(ii) the sale, assignment or other transfer of all or substantially all of the assets of EFI in one or a series of transactions, whether or not related, to a Person or any group of two or more Persons acting jointly or in concert, other than a wholly-owned Subsidiary of EFI;

(iii) the dissolution or liquidation of EFI except in connection with the distribution of assets of EFI to one or more Persons which were wholly-owned Subsidiaries of EFI immediately prior to such event;

(iv) the occurrence of a transaction requiring approval of EFI's shareholders whereby EFI is acquired through consolidation, merger, exchange of securities, purchase of assets, amalgamation, arrangement or otherwise by any other Person (other than a short form amalgamation or exchange of securities with a wholly-owned Subsidiary of EFI);

(v) a majority of the members of the Board of Directors of EFI are replaced or changed as a result of or in connection with any: (A) take-over bid, consolidation, merger, exchange of securities, amalgamation, arrangement, capital reorganization or any other business combination or reorganization involving or relating to EFI; (B) sale, assignment or other transfer of all or substantially

all of the assets of EFI in one or a series of transactions, or any purchase of assets; or (C) dissolution or liquidation of EFI;

(vi) during any two-year period, a majority of the members of the Board of Directors of EFI serving at the date of this Agreement is replaced by directors who are not nominated and approved by the Board of Directors of EFI;

(vii) an event set forth in (i), (ii), (iii), (iv), (v) or (vi) has occurred with respect to EFRI or any of its direct or indirect parent companies, in which case the term "EFI" in those paragraphs will be read to mean "EFRI or such parent company" and the phrase "wholly-owned Subsidiary(ies)" will be read to mean "Affiliate(s) or wholly-owned Subsidiary(ies)"; or

(viii) the Board of Directors of EFI passes a resolution to the effect that, an event set forth in (i), (ii), (iii), (iv), (v), (vi) or (vii) above has occurred.

(b) "Good Reason" means, without the written agreement of Employee, there is:

(i) a material reduction or diminution in the level of responsibility, or office of Employee, provided that before any claim of material reduction or diminution of responsibility may be relied upon by Employee, Employee must have provided written notice to Employee's supervisor and the EFI's Board of Directors of the alleged material reduction or diminution of responsibility and have given EFI at least thirty (30) calendar days within which to cure the alleged material reduction or diminution of responsibility; and provided further that ceasing to be the Chief Financial Officer of the Company shall not constitute a material reduction or diminution in the level of responsibility, or office of Employee, if Employee is retained at a comparable level of responsibility and office, such as in the office of "Chief Legal Officer and Corporate Secretary" or the equivalent, and continues to report directly to the President and Chief Executive Officer of the Company;

(ii) a reduction in the Employee's Base Salary, Target Cash Bonus Percentage or Target Equity Award Percentage; or

(iii) a proposed, forced relocation of Employee to another geographic location greater than fifty (50) miles from Employee's office location at the time a move is requested after a Change of Control.

ARTICLE 5
CONFIDENTIALITY

5.1 Position of Trust and Confidence. Employee acknowledges that in the course of discharging his or her responsibilities, he or she will occupy a position of trust and confidence with respect to the affairs and business of the Company and its customers and clients, and that he or she will have access to and be entrusted with detailed confidential information concerning the present and contemplated mining and exploration projects, prospects, and opportunities of the Company. Employee acknowledges that the disclosure of any such confidential information to the competitors of the Company or to the general public would be highly detrimental to the best interests of the Company. Employee further acknowledges and agrees that the right to maintain such detailed confidential information constitutes a proprietary right which the Company is entitled to protect.

5.2 Definition of Confidential Information. In this Agreement, "Confidential Information" means any

information disclosed by or on behalf of the Company to Employee or developed by Employee in the performance of his or her responsibilities at any time before or after the execution of this Agreement, and includes any information, documents, or other materials (including, without limitation, any drawings, notes, data, reports, photographs, audio and/or video recordings, samples and the like) relating to the business or affairs of the Company or its respective customers, clients or suppliers that is confidential or proprietary, whether or not such information:

(i) is reduced to writing;

(ii) was created or originated by an employee; or

(iii) is designated or marked as "Confidential" or "Proprietary" or some other designation or marking.

The Confidential Information includes, but is not limited to, the following categories of information relating to the Company:

(a) information concerning the present and contemplated mining, milling, processing and exploration projects, prospects and opportunities, including joint venture projects, of the Company;

(b) information concerning the application for permitting and eventual development or construction of the Company's properties, the status of regulatory and environmental matters, the compliance status with respect to licenses, permits, laws and regulations, property and title matters and legal and litigation matters;

(c) information of a technical nature such as ideas, discoveries, inventions, improvements, trade secrets, now-how, manufacturing processes, specifications, writings and other works of authorship;

(d) financial and business information such as the Company's business and strategic plans, earnings, assets, debts, prices, pricing structure, volume of purchases or sales, production, revenue and expense projections, historical financial statements, financial projections and budgets, historical and projected sales, capital spending budgets and plans, or other financial data whether related to the Company's business generally, or to particular products, services, geographic areas, or time periods;

(e) supply and service information such as goods and services suppliers' names or addresses, terms of supply or service contracts of particular transactions, or related information about potential suppliers to the extent that such information is not generally known to the public, and to the extent that the combination of suppliers or use of a particular supplier, although generally known or available, yields advantages to the Company, the details of which are not generally known;

(f) marketing information, such as details about ongoing or proposed marketing programs or agreements by or on behalf of the Company, sales forecasts or results of marketing efforts or information about impending transactions;

(g) personnel information relating to employees, contractors, or agents, such as personal histories, compensation or other terms of employment or engagement, actual or proposed promotions,

hirings, resignations, disciplinary actions, terminations or reasons therefor, training methods, performance, or other employee information;

(h) customer information, such as any compilation of past, existing or prospective customer's names, addresses, backgrounds, requirements, records of purchases and prices, proposals or agreements between customers and the Company, status of customer accounts or credit, or related information about actual or prospective customers;

(i) computer software of any type or form and in any stage of actual or anticipated development, including but not limited to, programs and program modules, routines and subroutines, procedures, algorithms, design concepts, design specifications (design notes, annotations, documentation, float charts, coding sheets, and the like), source codes, object code and load modules, programming, program patches and system designs; and

(j) all information which becomes known to Employee as a result of Employee's employment by the Company, which Employee acting reasonably, believes or ought to believe is confidential or proprietary information from its nature and from the circumstances surrounding its disclosure to Employee.

5.3 Non-Disclosure. Employee, both during his or her employment and for a period of five (5) years after the termination of his or her employment irrespective of the time, manner or cause of termination, will:

(a) retain in confidence all of the Confidential Information;

(b) refrain from disclosing to any person including, but not limited to, customers and suppliers of the Company, any of the Confidential Information except for the purpose of carrying out Employee's responsibilities with the Company, and

(c) refrain from directly or indirectly using or attempting to use such Confidential Information in any way, except for the purpose of carrying out Employee's responsibilities with the Company.

Employee shall deliver promptly to the Company, at the termination of Employee's employment, or at any other time at the Company's request, without retaining any copies, all documents and other material in Employee's possession relating, directly or indirectly, to any Confidential Information.

It is understood that should Employee be subject to subpoena or other legal process to seek the disclosure of such Confidential Information, Employee will advise the Company of such process and provide the Company with the necessary information to seek to protect the Confidential Information.

5.4 Whistleblower Laws. The foregoing obligations of confidentiality set out in this Article 5 are subject to applicable whistleblower laws, which protect Employee's right to provide information to governmental and regulatory authorities, including communications with the U.S. Securities and Exchange Commission about possible securities law violations. Notwithstanding any other provision in this Agreement, Employee is not required to seek the Company's permission or notify the Company of any communications made in compliance with applicable whistleblower laws, and the Company will not consider any such communications to violate this Agreement or any other agreement between Employer and the Company or any Company policy by which Employee is bound.

ARTICLE 6
NON-SOLICITATION

6.1 Non-Solicitation. Employee agrees that during the period (the "Non-Solicitation Period") commencing on the date of this Agreement and ending twelve (12) months after the effective date of the termination of Employee's employment irrespective of the time, manner or cause of termination, Employee will not, either individually or in partnership or jointly or in conjunction with any other person, entity or organization, as principal, agent, consultant, contractor, employer, employee or in any other manner, directly or indirectly:

(a) solicit business from any customer, client or business relation of the Company, or prospective customer, client or business relation that the Company was actively soliciting, whether or not Employee had direct contact with such customer, client or business relation, for the benefit or on behalf of any person, firm or corporation operating a business which competes with the Company, or attempt to direct any such customer, client or business relation away from the Company or to discontinue or alter any one or more of their relationships with the Company; or

(b) hire or offer to hire or entice away or in any other manner persuade or attempt to persuade any officer, employee, consultant, independent contractor, agent, licensee, supplier, or business relation of the Company to discontinue or alter any one of their relationships with the Company.

6.2 Remedies for Breach of Restrictive Covenants. Employee acknowledges that in connection with Employee's employment he or she will receive or will become eligible to receive substantial benefits and compensation. Employee acknowledges that Employee's employment by the Company and all compensation and benefits from such employment will be conferred by the Company upon Employee only because and on the condition of Employee's willingness to commit Employee's best efforts and loyalty to the Company, including protecting the Company's confidential information and abiding by the non-solicitation covenants contained in this Agreement. Employee understands that his obligations set out in Article 5 and this Article 6 will not unduly restrict or curtail Employee's legitimate efforts to earn a livelihood following any termination of his or her employment with the Company. Employee agrees that the restrictions contained in Article 5 and this Article 6 are reasonable and valid and all defenses to the strict enforcement of these restrictions by the Company are waived by Employee. Employee further acknowledges that a breach or threatened breach by Employee of any of the provisions contained in Article 5 or this Article 6 would cause the Company irreparable harm which could not be adequately compensated in damages alone. Employee further acknowledges that it is essential to the effective enforcement of this Agreement that, in addition to any other remedies to which the Company may be entitled at law or in equity or otherwise, the Company will be entitled to seek and obtain, in a summary manner, from any Court having jurisdiction, interim, interlocutory, and permanent injunctive relief, specific performance and other equitable remedies, without bond or other security being required. In addition to any other remedies to which the Company may be entitled at law or in equity or otherwise, in the event of a breach of any of the covenants or other obligations contained in this Agreement, the Company will be entitled to an accounting and repayment of all profits, compensation, royalties, commissions, remuneration or benefits which Employee directly or indirectly, has realized or may realize relating to, arising out of, or in connection with any such breach. Should a court of competent jurisdiction declare any of the covenants set forth in Article 5 or this Article 6 unenforceable, the court shall be empowered to modify and reform such covenants so as to provide relief reasonably necessary to protect the interests of the Company and Employee and to award injunctive relief, or damages, or both, to which the Company may be entitled.

ARTICLE 7
GENERAL PROVISIONS

7.1 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the state of Colorado.

7.2 Assignability. This Agreement is personal to Employee and without the prior written consent of the Company shall not be assignable by Employee other than by will or the laws of descent and distribution. This Agreement shall inure to the benefit of and be enforceable by Employee's legal representatives and heirs. This Agreement shall also inure to the benefit of and be binding upon the Company and its successors and assigns.

7.3 Withholding. The Company may withhold from any amounts payable under this Agreement such federal, state or local taxes as shall be required to be withheld pursuant to any applicable law or regulation.

7.4 Entire Agreement; Amendment. This Agreement constitutes the entire agreement and understanding between Employee and the Company with respect to the subject matter hereof and, except as otherwise expressly provided herein, supersedes any prior agreements or understandings, whether written or oral, with respect to the subject matter hereof, including without limitation all employment, severance or change of control agreements previously entered into between Employee and the Company. Except as may be otherwise provided herein, this Agreement may not be amended or modified except by subsequent written agreement executed by both parties hereto.

7.5 Section 409A. This Agreement is intended to comply with Section 409A to the extent Section 409A is applicable to this Agreement. Notwithstanding any other provision of this Agreement to the contrary, this Agreement shall be interpreted, operated and administered by the Company in a manner consistent with such intention and to avoid the pre-distribution inclusion in income of amounts deferred under this Agreement and the imposition of any additional tax or interest with respect thereto. Notwithstanding any other provision of this Agreement to the contrary, to the extent that any payment under this Agreement constitutes "nonqualified deferred compensation" under Section 409A, the following shall apply to the extent Section 409A is applicable to such payment:

(a) Any payable that is triggered upon the Employee's termination of employment shall be paid only if such termination of employment constitutes a "separation from service" under Section 409A; and

(b) All expenses or other reimbursements paid pursuant to this Agreement that are taxable income to Employee shall be paid no later than the end of the calendar year next following the calendar year in which Employee incurs such expense. With regard to any provision herein that provides for reimbursement of costs and expenses or in-kind benefits, except as permitted by Section 409A, (a) the right to reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit, (b) the amount of expenses eligible for reimbursement, or in-kind benefits, provided during any taxable year shall not affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other taxable year; and (c) such payments shall be made on or before the last day of Employee's taxable year following the taxable year in which the expense occurred. For purposes of Section 409A, Employee's right to receive installment payments of any severance amount, if applicable, shall be treated as a right to receive a series of separate and distinct payments.

In the event that Employee is deemed on the date of termination to be a "specified employee" as defined in Section 409A, then with regard to any payment or the provision of any benefit that is subject to

Section 409A and is payable on account of a separation from service (as defined in Section 409A), such payment or benefit shall be delayed for until the earlier of (a) the first business day of the seventh calendar month following such termination of employment, or (b) Employee's death. Any payments delayed by reason of the prior sentence shall be paid in a single lump sum, without interest thereon, on the date indicated by the previous sentence and any remaining payments due under this Agreement shall be paid as otherwise provided herein.

7.6 Multiple Counterparts. This Agreement may be executed in multiple counterparts, each of which shall constitute an original, but all of which together shall constitute one Agreement.

7.7 Notices. Any notice provided for in this Agreement shall be deemed delivered upon deposit in the United States mails, registered or certified mail, addressed to the party to whom directed at the addresses set forth below or at such other addresses as may be substituted therefor by notice given hereunder. Notice given by any other means must be in writing and shall be deemed delivered only upon actual receipt.

If to the Company:

c/o Energy Fuels Resources (USA) Inc.
225 Union Blvd., Suite 600
Lakewood, CO 80228

Attention: President and Chief Executive Officer

If to Employee:

David C. Frydenlund
8228 Harbortown Place
Lone Tree CO 80124

7.8 Waiver. The waiver of any term or condition of this Agreement, or any breach thereof, shall not be deemed to constitute the waiver of the same or any other term or condition of this Agreement, or any breach thereof.

7.9 Severability. In the event any provision of this Agreement is found to be unenforceable or invalid, such provision shall be severable from this Agreement and shall not affect the enforceability or validity of any other provision of this Agreement. If any provision of this Agreement is capable of two constructions, one of which would render the provision void and the other that would render the provision valid, then the provision shall have the construction that renders it valid..

7.10 Arbitration of Disputes. Except for disputes and controversies arising under Articles 5 or 6 or involving equitable or injunctive relief, any dispute or controversy arising under or in connection with this Agreement shall be conducted in accordance with the Colorado Rules of Civil Procedure and, unless the parties mutually agree on an arbitrator shall be arbitrated by striking from a list of potential arbitrators provided by the Judicial Arbiter Group in Denver, Colorado. If the parties are unable to agree on an arbitrator, the arbitrator will be selected from a list of seven (7) potential arbitrators provided by the Judicial Arbiter Group in Denver. The Company and Employee will flip a coin to determine who will make the first strike. The parties will then alternate striking from the list until there is one arbitrator remaining, who will be the selected arbitrator. Unless the parties otherwise agree and subject to the availability of the arbitrator, the arbitration will be heard within sixty (60) days following the appointment, and the decision of the arbitrator

shall be binding on Employee and the Company and will not be subject to appeal. Judgment may be entered on the arbitrator's award in any court having jurisdiction.

7.11 Currency. Except as expressly provided in this Agreement, all amounts in this Agreement are stated and shall be paid in United States dollars ($US).

7.12 Company's Maximum Obligations. The compensation set out in this Agreement represents the Company's maximum obligations, and other than as set out herein, Employee will not be entitled to any other compensation, rights or benefits in connection with Employee's employment or the termination of Employee's employment.

7.13 Full Payment; No Mitigation Obligation. The Company's obligation to make the payments provided for in this Agreement and otherwise to perform its obligations hereunder shall be subject to any set-off, counterclaim, recoupment, defense or other claim, right or action which the Company may have against Employee.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date.

ENERGY FUELS INC.

By: /s/ Mark S. Chalmers
Name: Mark S. Chalmers
Title: President and Chief Executive Officer
Date: March 28, 2019

ENERGY FUELS RESOURCES (USA) INC.

By: /s/ Mark S. Chalmers
Name: Mark S. Chalmers
Title: President and Chief Executive Officer
Date: March 28, 2019

/s/ David C. Frydenlund
Name: David C. Frydenlund
Title: Chief Financial Officer, General Counsel and Corporate Secretary
Date: March 28, 2019

EXHIBIT A
JOB DESCRIPTION

1. As Chief Financial Officer:

Employee shall be responsible for overseeing the financial activities of Energy Fuels Inc. and its subsidiaries.

Essential duties and responsibilities include:

- as requested by the CEO, contributing to the development and achievement of strategic objectives for the Company
- overseeing the financial planning and budgeting processes for the organization
- overseeing the preparation of the Company' financial statements and MD&A and providing certification as required by applicable securities laws
- overseeing the Company's internal control procedures
- along with the CEO, playing a key role in executing public and private market capital raising initiatives
- as requested by the CEO, playing a role in the Company's investor relations activities
- managing relationships with potential lenders to the Company
- as requested by the CEO, assisting the CEO with the identification, negotiating and execution of M&A and/or similar transactions
- playing an integral role along with the CEO in developing and maintaining relationships with investment banking firms

2. As General Counsel and Corporate Secretary:

Employee shall be responsible for the legal administration of Energy Fuels Inc. and its subsidiaries ("Energy Fuels"), the compliance with public company and stock exchange matters, the coordination of international and domestic business transactions, the evaluation of enterprise risks and generally, all domestic and international legal, regulatory and environmental matters relating to Energy Fuels. Employee will work closely with senior operations, regulatory and permitting personnel.

Essential duties and responsibilities include:

- managing all legal matters relating to Energy Fuels' activities, including management of all outside counsel retained by Energy Fuels
- supporting the CEO and senior management in all legal aspects of commercial, corporate, financing, M&A, planning and other matters
- being responsible for all corporate secretarial matters for Energy Fuels, including: corporate maintenance of all entities; calling and holding all director and committee meetings for all such entities; calling and holding all shareholders meetings for all such entities ensuring compliance with all stock exchange and securities law requirements maintaining appropriate corporate records for all such entities; and making all applicable corporate, securities law and stock exchange filings
- ensuring that Energy Fuels' operations are provided with the legal and regulatory support necessary to be able to operate in compliance with all applicable licenses, permits, laws and regulations, including providing training as necessary and ensuring that operations personnel are apprised of all applicable license, permit, legal and regulatory requirements and any changes thereto
- establishing strategies for dealing with state and federal regulatory agencies, and meeting with and negotiating with regulatory authorities, in coordination with senior operations, regulatory and

permitting personnel
- reviewing license and permit applications, amendments and renewals for compliance with applicable legal and regulatory requirements, as necessary, and developing specific language for licenses, permits, negotiated consent agreements, orders, and other binding agreements affecting Energy Fuels' operations, as necessary
- interpreting license and permit conditions, laws and regulations applicable to Energy Fuels' operations and assisting operations personnel in interpreting such conditions, requirements and any changes thereto
- coordinating responses to "requests for information" and addressing matters of non-compliance with regulatory authorities, in coordination with senior operations, regulatory and permitting personnel
- managing all litigation and legal and regulatory challenges

3. General:

Employee shall report to the President and Chief Executive Officer of the Company.

This position will be located in the Lakewood office with frequent travel.

Performance is to be based on Performance Goals set under the Company's STIP and LTIP, which will be evaluated once per year.

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT ("**Agreement**") is effective as of the 28th day of March, 2019 (the "**Effective Date**"), by and between Energy Fuels Resources (USA) Inc., a Delaware corporation ("**EFRI**"), Energy Fuels Inc., an Ontario corporation ("**EFI**") (EFRI and EFI are collectively referred to herein as the "**Company**") and William Paul Goranson ("**Employee**").

In consideration of the agreements contained in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company and Employee hereby agree as follows:

ARTICLE 1
EMPLOYMENT, REPORTING AND DUTIES

1.1 Employment. The Company hereby employs and engages the services of Employee to serve as Chief Operating Officer, and Employee agrees to diligently and competently serve as and perform the functions of Chief Operating Officer for the compensation and benefits stated herein. A copy of Employee's current job description is attached hereto as Exhibit A, and Company and Employee agree and acknowledge that, subject to Section 4.2(b), Company retains the right to reasonably add to, or remove, duties and responsibilities set forth in that job description as business or other operating reasons may arise for changes to occur. It is understood that Employee will be appointed an officer of EFI and EFRI during the term of this Agreement, but that Employee's direct employment relationship will be as an employee of EFRI.

1.2 Fulltime Service. Excluding any periods of vacation and sick leave to which Employee may be entitled, Employee agrees to devote Employee's full time and energies to the responsibilities with the Company consistent with past practice and shall not, during the Term of this Agreement, be engaged in any business activity which would interfere with or prevent Employee from carrying out Employee's duties under this Agreement.

ARTICLE 2
COMPENSATION AND RELATED ITEMS

2.1 Compensation.

As compensation and consideration for the services to be rendered by Employee under this Agreement, the Company agrees to pay Employee and Employee agrees to accept:

(a) *Base Salary and Benefits*. A base salary ("**Base Salary**") of $287,116 per annum, less required tax withholding, which shall be paid in accordance with the Company's standard payroll practice. Employee's Base Salary may be increased from time to time (but not decreased, including after any increase, without Employee's written consent), at the discretion of the Company, and after any such change, Employee's new level of Base Salary shall be Employee's Base Salary for purposes of this Agreement until the effective date of any subsequent change. Employee shall also receive benefits such as health insurance, vacation and other benefits consistent with the then applicable Company benefit plans to the same extent as other employees of the Company with similar position or level. Employee understands and agrees that, subject to Sections 2.1(b) and (c) below, Company's benefit plans may, from time to time, be modified or eliminated at Company's discretion.

(b) *Cash Bonus*. A cash bonus opportunity (the "**Cash Bonus**") during each calendar year with a target (the "**Target Cash Bonus**") equal to forty percent (40%) (the "**Target Cash Bonus Percentage**") of Employees' Base Salary for the year in which the cash bonus is paid, such cash bonus to be paid in accordance with the Company's existing Short Term Incentive Plan, as such plan may be amended or replaced from time to time, or the equivalent (the "**STIP**"). Pursuant to the terms of the STIP, each annual Cash Bonus shall be payable based on the achievement of performance goals, and may be higher or lower than the Target Cash Bonus based on achievement of those goals. For each calendar year during the term of this Agreement, the Board (or the Compensation Committee) of EFI will determine and will establish in writing (i) the applicable STIP performance goals, which shall be reasonably achievable and if achieved would result in payment of the Target Cash Bonus, (iii) the percentage of annual Base Salary to be payable to Employee if some lesser or greater percentage of the annual STIP performance goals are achieved, and (iv) such other applicable terms and conditions of the STIP necessary to satisfy the requirements of Section 409A ("**Section 409A**") of the Internal Revenue Code of 1986, as amended (the "**Code**"*)*; and

(c) *Equity Award*. An equity award opportunity (the "**Equity Award**") during each calendar year with a target value (the "**Target Equity Award**") equal to eighty percent (80%) (the "**Target Equity Award Percentage**") of Employee's Base Salary for the year in which the award is granted, such equity award to be awarded in accordance with the Company's existing Long Term Incentive Plan, as such plan may be amended or replaced from time to time, or the equivalent (the "**LTIP**"). Pursuant to the terms of the LTIP, each annual equity award shall be made based on the achievement of performance goals, and may be higher or lower than the Target Equity Award based on achievement of those goals. For each calendar year during the term of this Agreement, the Board (or the Compensation Committee) of EFI will determine and will establish in writing (i) the applicable LTIP performance goals, which shall be reasonably achievable and if achieved would result in payment of the Target Equity Award, (iii) the percentage of annual Base Salary value to be awarded in equity to Employee if some lesser or greater percentage of the annual LTIP performance goals are achieved, and (iv) such other applicable terms and conditions of the LTIP necessary to satisfy the requirements of Section 409A of the Code.

2.2 Annual Medical. The Company will reimburse Employee for the cost of a comprehensive annual medical examination for each year of this Agreement, provided that Employee requests such reimbursement and such reimbursement is made no later than the last day of the calendar year following the calendar year in which the examination expense was incurred. Employee will promptly notify the President & CEO if the annual medical examination reveals any condition which, if untreated is likely to interfere with Employee's ability to perform the essential requirements of his or her position, and if requested by the President & CEO, Employee will provide the details of the condition and the potential impact on his or her ability to perform the essential requirements of his or her position to enable the President & CEO to determine how best to accommodate Employee and protect the critical business interests of the Company.

2.3 Expenses. The Company agrees that Employee shall be allowed reasonable and necessary business expenses in connection with the performance of Employee's duties within the guidelines established by the Company as in effect at any time with respect to key employees ("**Business Expenses**"), including, but not limited to, reasonable and necessary expenses for food, travel, lodging, entertainment and other items in the promotion of the Company within such guidelines. The Company shall promptly reimburse Employee for all reasonable Business Expenses incurred by Employee upon Employee's presentation to the Company of an itemized account thereof, together with receipts, vouchers, or other supporting documentation.

2.4 Vacation. Employee will be entitled to four weeks of vacation each year, in addition to the 10 paid holidays each year. Carry over from one year to the next will be as per the Company's paid leave policy.

2.5 Use of Company Vehicle. Employee will be provided the full time use of a suitable vehicle for travel between the Lakewood office and home as well as for business travel to field sites as required, or the equivalent.

ARTICLE 3
TERMINATION

3.1 Term. Employee's employment under this Agreement shall commence on the Effective Date and will end on the date (the "**Initial Expiration Date**") that is the second anniversary of the Effective Date, unless terminated sooner under the provisions of this Article, or extended under the terms of this Section. If neither Company nor Employee provides written notice of intent not to renew this Agreement by ninety (90) days prior to the Initial Expiration Date, this Agreement shall be automatically renewed for twelve (12) additional months, and if neither Company nor Employee provides written notice of intent not to renew this Agreement prior to ninety (90) days before the end of such additional 12-month period, this Agreement shall continue to be automatically renewed for successive additional 12-month periods until such time either Company or Employee provides written notice of intent not to renew prior to ninety (90) days before the end of any such renewal period.

3.2 Termination of Employment. Except as may otherwise be provided herein, Employee's employment under this Agreement may terminate upon the occurrence of:

(a) Notice by Company. The termination date specified in a written notice of termination that is given by the Company to Employee;

(b) Notice by Employee. Thirty (30) days after written notice of termination is given by Employee to the Company;

(c) Death or Disability. Employee's death or, at the Company's option, upon Employee's becoming disabled;

(d) Deemed Termination Without Just Cause upon a Change of Control. A deemed termination without just cause under Section 4.1(a) upon the occurrence of a Change of Control; or

(e) Notice **Not** to Renew. If the Company or Employee gives the other a notice not to renew this Agreement under Section 3.1, employment under this Agreement shall terminate at the close of business at the end of the Initial Expiration Date or at the end of the 12-month renewal period in which timely notice not to renew was given, as the case may be. A notice by the Company not to renew shall be considered a notice of termination, resulting in the Company terminating Employee's employment under this Agreement.

Any notice of termination given by the Company to Employee under Section 3.2(a) or (e) above shall specify whether such termination is with or without just cause as defined in Section 3.4. Any notice of termination given by Employee to the Company under Section 3.2(b) above shall specify whether such termination is made with or without Good Reason as defined in Section 4.2(b).

3.3 Obligations of the Company Upon Termination.

(a) With Just Cause/Without Good Reason. If the Company terminates Employee's employment under this Agreement with just cause as defined in Section 3.4, or if Employee terminates his employment without Good Reason as defined in Section 4.2(b), in either case whether before or after a Change of Control as defined in Section 4.2(a), then Employee's employment with the Company shall terminate without further

obligation by the Company to Employee, other than payment of all accrued obligations ("**Accrued Obligations**"), including outstanding Base Salary, accrued vacation pay and any other cash benefits accrued up to and including the date of termination. That payment shall be made in one lump sum, less required tax withholding, within ten (10) working days after the effective date of such termination. Employee will have up to the earlier of: (A) ninety (90) days from the effective date of termination of Employee's employment; or (B) the date on which the exercise period of the particular stock option expires, to exercise only that portion of the stock options previously granted to Employee that have not been exercised, but which have vested, and thereafter Employee's stock options will expire and Employee will have no further right to exercise the stock options. Any stock options held by Employee that are not yet vested at the termination date immediately expire and are cancelled and forfeited to the Company on the termination date. Any Restricted Stock Units ("**RSUs**") held by Employee that have vested on or before the termination date shall be paid (or the shares issuable thereunder issued) to Employee. Any RSUs held by Employee that are not vested on or before the termination date will be immediately cancelled and forfeited to the Company on the termination date. The rights of Employee upon termination in respect of any Stock Appreciation Rights ("**SARs**") or other awards granted to Employee under any of the Company's equity compensation plans shall be as set forth in such plans or in the award agreement for any such awards, as applicable. Notwithstanding the foregoing, on retirement, Employee will have up to the earlier of: (A) one hundred and eighty (180) days from the effective date of retirement; or (B) the date on which the exercise period of the particular stock option expires, to exercise only that portion of the stock options previously granted to Employee that have not been exercised, but which have vested, and thereafter Employee's stock options will expire and Employee will have no further right to exercise the stock options.

(b) With Good Reason/Without Just Cause/Disabled/Death. If Employee terminates Employee's employment under this Agreement for Good Reason as defined in Section 4.2(b), or if the Company terminates Employee's employment without just cause as defined in Section 3.4, or if the Company terminates Employee's employment by reason of Employee becoming Disabled as defined in Section 3.5, or if Employee dies (in which case the date of Employee's death shall be considered his or her termination date), in any case whether before or after a Change of Control as defined in Section 4.2(a), or if there is a deemed termination without just cause upon a Change of Control as contemplated by Section 4.1(a), then Employee's employment with the Company shall terminate, as of the effective date of the termination, and in lieu of any other severance benefit that would otherwise be payable to Employee:

(i) the Company shall pay the following amounts to Employee (or, in the case of termination by reason of Employee becoming Disabled or upon the death of Employee, to Employee's legal representative or estate as applicable) after the effective date of such termination, or in a manner and at such later time as specified by Employee (or Employee's legal representative), and agreed to by the Company, subject to being in compliance with Section 409A of the Code:

(A) all Accrued Obligations, less required tax withholding, up to and including the date of termination, to be paid on the date of termination of employment, or within no more than five (5) working days thereafter, and the Company will reimburse the Employee for all proper expenses incurred by the Employee in discharging his responsibilities to the Company prior to the effective date of termination of the Employee's employment in accordance with Section 2.3 above; and

(B) an amount in cash equal to two (2.0) (the "**Severance Factor**") times the sum of Employee's Base Salary and Target Cash Bonus for the full year in which the Date of Termination occurs, less required tax withholding, such amount to be paid within thirty (30) calendar days after the date Employee signs the Release contemplated by Section 3.7;

(ii) Employee or Employee's legal representative will have up to the earlier of: (A) ninety (90) days from the effective date of termination of Employee's employment for all cases other than the death of Employee and twelve (12) months from the effective date of termination of Employee's employment in the case of death of Employee; or (B) the date on which the exercise period of the particular stock option expires, to exercise only that portion of the stock options previously granted to Employee that have not been exercised, but which have vested, and thereafter Employee's stock options will expire and Employee or his or her legal representative will have no further right to exercise the stock options. Subject to Section 4.1(c), any stock options held by Employee that are not yet vested at the termination date immediately expire and are cancelled and forfeited to the Company on the termination date. Any RSUs held by Employee that have vested on or before the termination date shall be paid (or the shares issuable thereunder issued) to Employee or his or her legal representative or estate as applicable. Subject to Section 4.1(c), any RSUs held by Employee that are not vested on or before the termination date will be immediately cancelled and forfeited to the Company on the termination date. Subject to Section 4.1(c), the rights of Employee or his or her legal representative or estate as applicable upon termination in respect of any SARs or other awards granted to Employee under any of the Company's equity compensation plans shall be as set forth in such plans or in the award agreement for any such awards, as applicable;

(iii) Upon termination, the Company or its Successor (as defined in Section 4.1(a)), agrees to reimburse Employee the full cost of the COBRA continuation rate charged for employee and dependent coverage, through the EFRI Health and Welfare Plan on a monthly basis, for a period of months equal to twelve times the Severance Factor (the "**Coverage Period**"), beyond Employee's termination month. Employee and his or her dependents may, at their choosing, enroll in the COBRA continuation plan through EFRI for the first eighteen months following Employee's termination month or, if they choose, they may enroll in a separate plan of their choosing, by using the reimbursement to enroll in medical and prescription insurance of their choosing. Reimbursement at the rate described herein will continue for the Coverage Period beyond Employee's termination month, but beginning with the nineteenth month, Employee and his or her dependents will need to obtain coverage from a different source than the COBRA continuation plan through EFRI. The reimbursement will be to Employee and his or her dependents directly, and will be grossed up so that there is no negative tax impact to the Employee or his or dependents for coverage of the premiums charged by the insurance carriers for the COBRA continuation coverage for the current month of reimbursement. The reimbursed cost of COBRA coverage will be indexed annually, and will match the rate charged for any month of coverage available by the insurance carrier for Medical, Dental, and Optical coverage through EFRI for employee and spouse coverage. Both Employee and his or her dependents, will have the option of purchasing a medical plan separate from the plan offered by EFRI; and

(iv) Nothing herein shall preclude the Company from granting additional severance benefits to Employee upon termination of employment.

Notwithstanding the foregoing, in the case of Disability, any Base Salary payable to Employee during the one hundred and eighty (180) day period of disability will be reduced by the amount of any disability benefits Employee receives or is entitled to receive as a result of any disability insurance policies for which the Company has paid the premiums.

(c) Section 280G. Notwithstanding any other provisions of this Agreement, or any other plan, arrangement or agreement to the contrary, if any of the payments or benefits provided or to be provided by the Company or its affiliates to Employee or for Employee's benefit pursuant to the terms of this Agreement

or otherwise ("**Covered Payments**") constitute "parachute payments" within the meaning of Section 280G of the Code and would, but for this Section 3.3(c) be subject to the excise tax imposed under Section 4999 of the Code (or any successor provision thereto) or any similar tax imposed by state or local law or any interest or penalties with respect to such taxes (collectively, the "**Excise Tax**"), then the following shall apply:

(i) If the Covered Payments, reduced by the sum of (1) the Excise Tax and (2) the total of the Federal, state, and local income and employment taxes payable by Employee on the amount of the Covered Payments which are in excess of three times Employee's "base amount" within the meaning of Section 280(G) of the Code less one dollar (the "**Threshold Amount**"), are greater than or equal to the Threshold Amount, Employee shall be entitled to the full benefits payable under this Agreement; and

(ii) If the Threshold Amount is less than (1) the Covered Payments, but greater than (2) the Covered Payments reduced by the sum of (x) the Excise Tax and (y) the total of the Federal, state, and local income and employment taxes on the amount of the Covered Payments which are in excess of the Threshold Amount, then the Covered Payments shall be reduced (but not below zero) to the extent necessary so that the sum of all Covered Payments shall not exceed the Threshold Amount. In such event, the Covered Payments shall be reduced in the following order: (A) cash payments not subject to Section 409A; (B) cash payments subject to Section 409A; (C) equity-based payments and acceleration; and (D) non-cash forms of benefits. To the extent any payment is to be made over time (e.g., in installments, etc.), then the payments shall be reduced in reverse chronological order.

The determination as to which of the alternative provisions of Section 3.3(c)(ii) shall apply to Employee shall be made by a nationally recognized accounting firm selected by the Company (the "**Accounting Firm**"), which shall provide detailed supporting calculations both to the Company and Employee within 15 business days of the date of termination, if applicable, or at such earlier time as is reasonably requested by the Company or Employee. For purposes of determining which of the alternative provisions of Section 3.3(c)(ii) shall apply, Employee shall be deemed to pay Federal income taxes at the highest marginal rate of Federal income taxation applicable to individuals for the calendar year in which the determination is to be made, and state and local income taxes at the highest marginal rates of individual taxation in the state and locality of Employee's residence on the date of termination, net of the maximum reduction in Federal income taxes which could be obtained from deduction of such state and local taxes. Any determination by the Accounting Firm shall be binding upon the Company and Employee.

3.4 Definition of Just Cause.

As used in this Agreement, the term "just cause" will mean any one or more of the following events:

(a) theft, fraud, dishonesty, or misappropriation by Employee involving the property, business or affairs of the Company or the discharge of Employee's responsibilities or the exercise of his or her authority;

(b) willful misconduct or the willful failure by Employee to properly discharge his or her responsibilities or to adhere to the policies of the Company;

(c) Employee's gross negligence in the discharge of his or her responsibilities or involving the property, business or affairs of the Company to the material detriment of the Company;

(d) Employee's conviction of a criminal or other statutory offence that constitutes a felony or which has a potential sentence of imprisonment greater than six (6) months or Employee's conviction of a

criminal or other statutory offence involving, in the sole discretion of the Board of Directors of EFI, moral turpitude;

(e) Employee's material breach of a fiduciary duty owed to the Company;

(f) any material breach by Employee of the covenants contained in Articles 5 or 6 below;

(g) Employee's unreasonable refusal to follow the lawful written direction of the President and Chief Executive Officer of the Company on any material matter;

(h) any conduct of Employee which, in the reasonable opinion of the President and Chief Executive Officer of the Company or Board of Directors of EFI, is materially detrimental or embarrassing to the Company; or

(i) any other conduct by Employee that would constitute "just cause" as that term is defined at law.

The Company must provide written notice to Employee prior to termination for just cause pursuant to Section 3.4 (c), (f), (g), (h), or (i) and provide Employee the opportunity to correct and cure the failure within thirty (30) days from the receipt of such notice. If the parties disagree as to whether the Company had just cause to terminate the Employee's employment, the dispute will be submitted to binding arbitration pursuant to Section 7.10 below.

3.5 Definition of Disabled. As used herein, "Disabled" shall mean a mental or physical impairment which, in the reasonable opinion of a qualified doctor selected by mutual agreement of the Company and Employee acting reasonably, renders Employee unable, with reasonable accommodation, to perform with reasonable diligence the essential functions and duties of Employee on a full-time basis in accordance with the terms of this Agreement, which inability continues for a period of not less than 180 consecutive days. The providing of service to the Company for up to two (2) three (3) day periods during the one hundred and eighty (180) day period of disability will not affect the determination as to whether Employee is Disabled and will not restart the one hundred and eighty (180) day period of disability. If any dispute arises between the parties as to whether Employee is Disabled, Employee will submit to an examination by a physician selected by the mutual agreement of the Company and Employee acting reasonably, at the Company's expense. The decision of the physician will be certified in writing to the Company, and will be sent by the Physician to Employee or Employee's legally authorized representative, and will be conclusive for the purposes of determining whether Employee is Disabled. If Employee fails to submit to a medical examination within twenty (20) days after the Company's request, Employee will be deemed to have voluntarily terminated his or her employment.

3.6 Return of Materials; Confidential Information. In connection with Employee's separation from employment for any reason, Employee shall return any and all physical property belonging to the Company, and all material of whatever type containing "Confidential Information" as defined in Section 5.2 below, including, but not limited to, any and all documents, whether in paper or electronic form, which contain Confidential Information, any customer information, production information, manufacturing-related information, pricing information, files, memoranda, reports, pass codes/access cards, training or other reference manuals, Company vehicle, telephone, gas cards or other Company credit cards, keys, computers, laptops, including any computer disks, software, facsimile machines, memory devices, printers, telephones, pagers or the like.

3.7 Delivery of Release. Within ten (10) working days after termination of Employee's employment, and as a condition for receipt of payments set forth in Section 3.3(b)(i)(B), 3.3(b)(iii), and 4.1(a), the Company shall provide to Employee, or Employee's legal representative, a form of written release, which form shall be satisfactory to the Company and generally consistent with the form of release used by the Company prior to such termination of employment (the "**Release**") and which shall provide a full release of all claims against the Company and its corporate affiliates, except where Employee has been named as a defendant in a legal action arising out of the performance of Employee's responsibilities in which case the Release will exempt any claims which Employee or his or her legal representative or estate may have for indemnity by the Company with respect to any such legal action. As a condition to the obligation of the Company to make the payments provided for in such Sections Employee, or Employee's legal representative, shall execute and deliver the Release to the Company within the time periods provided for in said release.

ARTICLE 4
CHANGE OF CONTROL

4.1 Effect of Change of Control. In the event of a Change of Control of EFI during the term of this Agreement, or any renewal of this Agreement the following provisions shall apply:

(a) If upon the Change of Control

(i) Employee is not retained by EFI or its successor (whether direct or indirect, by purchase of assets, merger, consolidation, exchange of securities, amalgamation, arrangement or otherwise) to all or substantially all of the business and/or assets of EFI ("**Successor**") on the same terms and conditions as set out in this Agreement and in circumstances that would not constitute Good Reason (where Good Reason is determined by reference to Employee's employment status prior to the Change of Control and prior to any other event that could constitute Good Reason); and/or

(ii) any such Successor does not, by agreement in form and substance satisfactory to Employee, expressly assume and agree to perform this Agreement in the same manner and to the same extent that EFI would be required to perform it if no such succession had taken place,

then Employee shall be deemed to be terminated without just cause upon such Change of Control and shall be entitled to the compensation and all other rights specified in Article 3 in the same amount and on the same terms as if terminated without just cause as set out therein, subject to the additional rights set out in paragraph (c) below;

(b) All rights of Employee in this Agreement, including without limitation all rights to severance and other rights upon a termination with or without cause, with or without Good Reason, upon a disability or upon death under Article 3 of this Agreement shall continue after a Change of Control in the same manner as before the Change of Control, subject to the additional rights set out in paragraph (c) below;

(c) if,

(i) there is a deemed termination without cause under Section 4.1(a); or

(ii) within twelve (12) months following the effective date of the Change of Control, EFI, or its successor, terminates the employment of Employee without just cause or by reason of Disability, or Employee terminates his or her employment under this Agreement for Good Reason,

then, in addition to the other rights Employee has under this Agreement, and notwithstanding any other provision in this Agreement, all of the stock options previously granted to Employee that have neither vested nor expired will automatically vest and become immediately exercisable, any period of restriction and other restrictions imposed on all RSUs shall lapse, and all RSUs shall be immediately settled and payable, the rights of Employee or his legal representative or estate as applicable upon termination in respect of any SARs previously granted to Employee shall be as set forth in the award agreement for any such SARs, and all other securities awarded shall vest and/or accelerate in accordance with Article 15 of the 2018 EFI Omnibus Equity Incentive Plan, as amended from time to time, or the comparable provisions of any other equity incentive plan under which such securities may have been issued. Employee will have ninety (90) days from the effective date of the termination of Employee's employment to exercise any stock options which had vested as of the effective date of termination and thereafter Employee's stock options will expire and Employee will have no further right to exercise the stock options.

4.2 Definitions of Change of Control and Good Reason. For the purposes of this Agreement,

(a) "Change of Control" will mean the happening of any of the following events:

(i) any transaction at any time and by whatever means pursuant to which (A) EFI goes out of existence by any means, except for any corporate transaction or reorganization in which the proportionate voting power among holders of securities of the entity resulting from such corporate transaction or reorganization is substantially the same as the proportionate voting power of such holders of EFI voting securities immediately prior to such corporate transaction or reorganization or (B) any Person (as defined in the *Securities Act* (Ontario)) or any group of two or more Persons acting jointly or in concert (other than EFI, a wholly-owned Subsidiary of EFI, an employee benefit plan of EFI or of any of its wholly-owned Subsidiaries (as defined in the *Securities Act* (Ontario)), including the trustee of any such plan acting as trustee) hereafter acquires the direct or indirect "beneficial ownership" (as defined by the *Business Corporations Act* (Ontario)) of, or acquires the right to exercise control or direction over, securities of EFI representing 50% or more of EFI's then issued and outstanding securities in any manner whatsoever, including, without limitation, as a result of a take-over bid, an exchange of securities, an amalgamation of EFI with any other entity, an arrangement, a capital reorganization or any other business combination or reorganization;

(ii) the sale, assignment or other transfer of all or substantially all of the assets of EFI in one or a series of transactions, whether or not related, to a Person or any group of two or more Persons acting jointly or in concert, other than a wholly-owned Subsidiary of EFI;

(iii) the dissolution or liquidation of EFI except in connection with the distribution of assets of EFI to one or more Persons which were wholly-owned Subsidiaries of EFI immediately prior to such event;

(iv) the occurrence of a transaction requiring approval of EFI's shareholders whereby EFI is acquired through consolidation, merger, exchange of securities, purchase of assets, amalgamation,

arrangement or otherwise by any other Person (other than a short form amalgamation or exchange of securities with a wholly-owned Subsidiary of EFI);

(v) a majority of the members of the Board of Directors of EFI are replaced or changed as a result of or in connection with any: (A) take-over bid, consolidation, merger, exchange of securities, amalgamation, arrangement, capital reorganization or any other business combination or reorganization involving or relating to EFI; (B) sale, assignment or other transfer of all or substantially all of the assets of EFI in one or a series of transactions, or any purchase of assets; or (C) dissolution or liquidation of EFI;

(vi) during any two-year period, a majority of the members of the Board of Directors of EFI serving at the date of this Agreement is replaced by directors who are not nominated and approved by the Board of Directors of EFI;

(vii) an event set forth in (i), (ii), (iii), (iv), (v) or (vi) has occurred with respect to EFRI or any of its direct or indirect parent companies, in which case the term "EFI" in those paragraphs will be read to mean "EFRI or such parent company" and the phrase "wholly-owned Subsidiary(ies)" will be read to mean "Affiliate(s) or wholly-owned Subsidiary(ies)"; or

(viii) the Board of Directors of EFI passes a resolution to the effect that, an event set forth in (i), (ii), (iii), (iv), (v), (vi) or (vii) above has occurred.

(b) "Good Reason" means, without the written agreement of Employee, there is:

(i) a material reduction or diminution in the level of responsibility, or office of Employee, provided that before any claim of material reduction or diminution of responsibility may be relied upon by Employee, Employee must have provided written notice to Employee's supervisor and the EFI's Board of Directors of the alleged material reduction or diminution of responsibility and have given EFI at least thirty (30) calendar days within which to cure the alleged material reduction or diminution of responsibility;

(ii) a reduction in the Employee's Base Salary, Target Cash Bonus Percentage or Target Equity Award Percentage; or

(iii) a proposed, forced relocation of Employee to another geographic location greater than fifty (50) miles from Employee's office location at the time a move is requested after a Change of Control.

ARTICLE 5
CONFIDENTIALITY

5.1 Position of Trust and Confidence. Employee acknowledges that in the course of discharging his or her responsibilities, he or she will occupy a position of trust and confidence with respect to the affairs and business of the Company and its customers and clients, and that he or she will have access to and be entrusted with detailed confidential information concerning the present and contemplated mining and exploration projects, prospects, and opportunities of the Company. Employee acknowledges that the disclosure of any such confidential information to the competitors of the Company or to the general public would be highly detrimental to the best interests of the Company. Employee further acknowledges and agrees that the right

to maintain such detailed confidential information constitutes a proprietary right which the Company is entitled to protect.

5.2 Definition of Confidential Information. In this Agreement, "Confidential Information" means any information disclosed by or on behalf of the Company to Employee or developed by Employee in the performance of his or her responsibilities at any time before or after the execution of this Agreement, and includes any information, documents, or other materials (including, without limitation, any drawings, notes, data, reports, photographs, audio and/or video recordings, samples and the like) relating to the business or affairs of the Company or its respective customers, clients or suppliers that is confidential or proprietary, whether or not such information:

(i) is reduced to writing;

(ii) was created or originated by an employee; or

(iii) is designated or marked as "Confidential" or "Proprietary" or some other designation or marking.

The Confidential Information includes, but is not limited to, the following categories of information relating to the Company:

(a) information concerning the present and contemplated mining, milling, processing and exploration projects, prospects and opportunities, including joint venture projects, of the Company;

(b) information concerning the application for permitting and eventual development or construction of the Company's properties, the status of regulatory and environmental matters, the compliance status with respect to licenses, permits, laws and regulations, property and title matters and legal and litigation matters;

(c) information of a technical nature such as ideas, discoveries, inventions, improvements, trade secrets, now-how, manufacturing processes, specifications, writings and other works of authorship;

(d) financial and business information such as the Company's business and strategic plans, earnings, assets, debts, prices, pricing structure, volume of purchases or sales, production, revenue and expense projections, historical financial statements, financial projections and budgets, historical and projected sales, capital spending budgets and plans, or other financial data whether related to the Company's business generally, or to particular products, services, geographic areas, or time periods;

(e) supply and service information such as goods and services suppliers' names or addresses, terms of supply or service contracts of particular transactions, or related information about potential suppliers to the extent that such information is not generally known to the public, and to the extent that the combination of suppliers or use of a particular supplier, although generally known or available, yields advantages to the Company, the details of which are not generally known;

(f) marketing information, such as details about ongoing or proposed marketing programs or agreements by or on behalf of the Company, sales forecasts or results of marketing efforts or information about impending transactions;

(g) personnel information relating to employees, contractors, or agents, such as personal histories,

compensation or other terms of employment or engagement, actual or proposed promotions, hirings, resignations, disciplinary actions, terminations or reasons therefor, training methods, performance, or other employee information;

(h) customer information, such as any compilation of past, existing or prospective customer's names, addresses, backgrounds, requirements, records of purchases and prices, proposals or agreements between customers and the Company, status of customer accounts or credit, or related information about actual or prospective customers;

(i) computer software of any type or form and in any stage of actual or anticipated development, including but not limited to, programs and program modules, routines and subroutines, procedures, algorithms, design concepts, design specifications (design notes, annotations, documentation, float charts, coding sheets, and the like), source codes, object code and load modules, programming, program patches and system designs; and

(j) all information which becomes known to Employee as a result of Employee's employment by the Company, which Employee acting reasonably, believes or ought to believe is confidential or proprietary information from its nature and from the circumstances surrounding its disclosure to Employee.

5.3 Non-Disclosure. Employee, both during his or her employment and for a period of five (5) years after the termination of his or her employment irrespective of the time, manner or cause of termination, will:

(a) retain in confidence all of the Confidential Information;

(b) refrain from disclosing to any person including, but not limited to, customers and suppliers of the Company, any of the Confidential Information except for the purpose of carrying out Employee's responsibilities with the Company, and

(c) refrain from directly or indirectly using or attempting to use such Confidential Information in any way, except for the purpose of carrying out Employee's responsibilities with the Company.

Employee shall deliver promptly to the Company, at the termination of Employee's employment, or at any other time at the Company's request, without retaining any copies, all documents and other material in Employee's possession relating, directly or indirectly, to any Confidential Information.

It is understood that should Employee be subject to subpoena or other legal process to seek the disclosure of such Confidential Information, Employee will advise the Company of such process and provide the Company with the necessary information to seek to protect the Confidential Information.

5.4 Whistleblower Laws. The foregoing obligations of confidentiality set out in this Article 5 are subject to applicable whistleblower laws, which protect Employee's right to provide information to governmental and regulatory authorities, including communications with the U.S. Securities and Exchange Commission about possible securities law violations. Notwithstanding any other provision in this Agreement, Employee is not required to seek the Company's permission or notify the Company of any communications made in compliance with applicable whistleblower laws, and the Company will not consider any such communications to violate this Agreement or any other agreement between Employer and the Company or any Company policy by which Employee is bound.

ARTICLE 6
NON-SOLICITATION

6.1 Non-Solicitation. Employee agrees that during the period (the "Non-Solicitation Period") commencing on the date of this Agreement and ending twelve (12) months after the effective date of the termination of Employee's employment irrespective of the time, manner or cause of termination, Employee will not, either individually or in partnership or jointly or in conjunction with any other person, entity or organization, as principal, agent, consultant, contractor, employer, employee or in any other manner, directly or indirectly:

(a) solicit business from any customer, client or business relation of the Company, or prospective customer, client or business relation that the Company was actively soliciting, whether or not Employee had direct contact with such customer, client or business relation, for the benefit or on behalf of any person, firm or corporation operating a business which competes with the Company, or attempt to direct any such customer, client or business relation away from the Company or to discontinue or alter any one or more of their relationships with the Company; or

(b) hire or offer to hire or entice away or in any other manner persuade or attempt to persuade any officer, employee, consultant, independent contractor, agent, licensee, supplier, or business relation of the Company to discontinue or alter any one of their relationships with the Company.

6.2 Remedies for Breach of Restrictive Covenants. Employee acknowledges that in connection with Employee's employment he or she will receive or will become eligible to receive substantial benefits and compensation. Employee acknowledges that Employee's employment by the Company and all compensation and benefits from such employment will be conferred by the Company upon Employee only because and on the condition of Employee's willingness to commit Employee's best efforts and loyalty to the Company, including protecting the Company's confidential information and abiding by the non-solicitation covenants contained in this Agreement. Employee understands that his obligations set out in Article 5 and this Article 6 will not unduly restrict or curtail Employee's legitimate efforts to earn a livelihood following any termination of his or her employment with the Company. Employee agrees that the restrictions contained in Article 5 and this Article 6 are reasonable and valid and all defenses to the strict enforcement of these restrictions by the Company are waived by Employee. Employee further acknowledges that a breach or threatened breach by Employee of any of the provisions contained in Article 5 or this Article 6 would cause the Company irreparable harm which could not be adequately compensated in damages alone. Employee further acknowledges that it is essential to the effective enforcement of this Agreement that, in addition to any other remedies to which the Company may be entitled at law or in equity or otherwise, the Company will be entitled to seek and obtain, in a summary manner, from any Court having jurisdiction, interim, interlocutory, and permanent injunctive relief, specific performance and other equitable remedies, without bond or other security being required. In addition to any other remedies to which the Company may be entitled at law or in equity or otherwise, in the event of a breach of any of the covenants or other obligations contained in this Agreement, the Company will be entitled to an accounting and repayment of all profits, compensation, royalties, commissions, remuneration or benefits which Employee directly or indirectly, has realized or may realize relating to, arising out of, or in connection with any such breach. Should a court of competent jurisdiction declare any of the covenants set forth in Article 5 or this Article 6 unenforceable, the court shall be empowered to modify and reform such covenants so as to provide relief reasonably necessary to protect the interests of the Company and Employee and to award injunctive relief, or damages, or both, to which the Company may be entitled.

ARTICLE 7
GENERAL PROVISIONS

7.1 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the state of Colorado.

7.2 Assignability. This Agreement is personal to Employee and without the prior written consent of the Company shall not be assignable by Employee other than by will or the laws of descent and distribution. This Agreement shall inure to the benefit of and be enforceable by Employee's legal representatives and heirs. This Agreement shall also inure to the benefit of and be binding upon the Company and its successors and assigns.

7.3 Withholding. The Company may withhold from any amounts payable under this Agreement such federal, state or local taxes as shall be required to be withheld pursuant to any applicable law or regulation.

7.4 Entire Agreement; Amendment. This Agreement constitutes the entire agreement and understanding between Employee and the Company with respect to the subject matter hereof and, except as otherwise expressly provided herein, supersedes any prior agreements or understandings, whether written or oral, with respect to the subject matter hereof, including without limitation all employment, severance or change of control agreements previously entered into between Employee and the Company or Uranerz Energy Corporation. Except as may be otherwise provided herein, this Agreement may not be amended or modified except by subsequent written agreement executed by both parties hereto.

7.5 Section 409A. This Agreement is intended to comply with Section 409A to the extent Section 409A is applicable to this Agreement. Notwithstanding any other provision of this Agreement to the contrary, this Agreement shall be interpreted, operated and administered by the Company in a manner consistent with such intention and to avoid the pre-distribution inclusion in income of amounts deferred under this Agreement and the imposition of any additional tax or interest with respect thereto. Notwithstanding any other provision of this Agreement to the contrary, to the extent that any payment under this Agreement constitutes "nonqualified deferred compensation" under Section 409A, the following shall apply to the extent Section 409A is applicable to such payment:

(a) Any payable that is triggered upon the Employee's termination of employment shall be paid only if such termination of employment constitutes a "separation from service" under Section 409A; and

(b) All expenses or other reimbursements paid pursuant to this Agreement that are taxable income to Employee shall be paid no later than the end of the calendar year next following the calendar year in which Employee incurs such expense. With regard to any provision herein that provides for reimbursement of costs and expenses or in-kind benefits, except as permitted by Section 409A, (a) the right to reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit, (b) the amount of expenses eligible for reimbursement, or in-kind benefits, provided during any taxable year shall not affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other taxable year; and (c) such payments shall be made on or before the last day of Employee's taxable year following the taxable year in which the expense occurred. For purposes of Section 409A, Employee's right to receive installment payments of any severance amount, if applicable, shall be treated as a right to receive a series of separate and distinct payments.

In the event that Employee is deemed on the date of termination to be a "specified employee" as defined in Section 409A, then with regard to any payment or the provision of any benefit that is subject to Section 409A and is payable on account of a separation from service (as defined in Section 409A), such payment

or benefit shall be delayed for until the earlier of (a) the first business day of the seventh calendar month following such termination of employment, or (b) Employee's death. Any payments delayed by reason of the prior sentence shall be paid in a single lump sum, without interest thereon, on the date indicated by the previous sentence and any remaining payments due under this Agreement shall be paid as otherwise provided herein.

7.6 Multiple Counterparts. This Agreement may be executed in multiple counterparts, each of which shall constitute an original, but all of which together shall constitute one Agreement.

7.7 Notices. Any notice provided for in this Agreement shall be deemed delivered upon deposit in the United States mails, registered or certified mail, addressed to the party to whom directed at the addresses set forth below or at such other addresses as may be substituted therefor by notice given hereunder. Notice given by any other means must be in writing and shall be deemed delivered only upon actual receipt.

If to the Company:

c/o Energy Fuels Resources (USA) Inc.
225 Union Blvd., Suite 600
Lakewood, CO 80228

Attention: President and Chief Executive Officer

If to Employee:

William Paul Goranson
5926 S. Jellison St., Apt. E
Littleton, CO 80123

7.8 Waiver. The waiver of any term or condition of this Agreement, or any breach thereof, shall not be deemed to constitute the waiver of the same or any other term or condition of this Agreement, or any breach thereof.

7.9 Severability. In the event any provision of this Agreement is found to be unenforceable or invalid, such provision shall be severable from this Agreement and shall not affect the enforceability or validity of any other provision of this Agreement. If any provision of this Agreement is capable of two constructions, one of which would render the provision void and the other that would render the provision valid, then the provision shall have the construction that renders it valid..

7.10 Arbitration of Disputes. Except for disputes and controversies arising under Articles 5 or 6 or involving equitable or injunctive relief, any dispute or controversy arising under or in connection with this Agreement shall be conducted in accordance with the Colorado Rules of Civil Procedure and, unless the parties mutually agree on an arbitrator shall be arbitrated by striking from a list of potential arbitrators provided by the Judicial Arbiter Group in Denver, Colorado. If the parties are unable to agree on an arbitrator, the arbitrator will be selected from a list of seven (7) potential arbitrators provided by the Judicial Arbiter Group in Denver. The Company and Employee will flip a coin to determine who will make the first strike. The parties will then alternate striking from the list until there is one arbitrator remaining, who will be the selected arbitrator. Unless the parties otherwise agree and subject to the availability of the arbitrator, the arbitration will be heard within sixty (60) days following the appointment, and the decision of the arbitrator shall be

binding on Employee and the Company and will not be subject to appeal. Judgment may be entered on the arbitrator's award in any court having jurisdiction.

7.11 Currency. Except as expressly provided in this Agreement, all amounts in this Agreement are stated and shall be paid in United States dollars ($US).

7.12 Company's Maximum Obligations. The compensation set out in this Agreement represents the Company's maximum obligations, and other than as set out herein, Employee will not be entitled to any other compensation, rights or benefits in connection with Employee's employment or the termination of Employee's employment.

7.13 Full Payment; No Mitigation Obligation. The Company's obligation to make the payments provided for in this Agreement and otherwise to perform its obligations hereunder shall be subject to any set-off, counterclaim, recoupment, defense or other claim, right or action which the Company may have against Employee.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date.

ENERGY FUELS INC.

By: /s/ Mark S. Chalmers
Name: Mark S. Chalmers
Title: President and Chief Executive Officer

Date: March 28, 2019

ENERGY FUELS RESOURCES (USA) INC.

By: /s/ Mark S. Chalmers
Name: Mark S. Chalmers
Title: President and Chief Executive Officer

Date: March 28, 2019

/s/ William Paul Goranson
Name: William Paul Goranson
Title: Chief Operating Officer
Date: March 28, 2019

EXHIBIT A
JOB DESCRIPTION

Working with the President and Chief Executive Officer, Employee shall be responsible for all aspects of the Company's operations. The Chief Operating Officer focuses on the establishment and optimization of the day-to-day operations of the Company. Responsibilities include setting monthly production goals following input from sales and financial departments, and developing and monitoring production budgets.

Working with and in accordance with directions from the President and Chief Executive Officer, the Chief Operating Officer's essential duties and responsibilities include:

- overseeing all of the Company's operations
- maintaining a culture of safety as a top priority
- ensuring that environmental stewardship is a key component of the Company's operating philosophy
- ensuring all direct reports are informed of operational objectives and goals
- monitoring production and operations costs against approved budgets
- being responsible for overall costs of production to ensure that they are within Board- approved budgets
- ensuring production is sufficient to meet current and long-term contracts and published guidance
- ensuring the Company's operations are in full compliance with all permits and regulations
- setting operational and performance goals for each area that are aggressive, achievable and tied to the Company's long term business plan
- coordinating activities with legal and finance departments by maintaining open and regular communication
- directing the Company's Technical Services function
- ensuring employees are motivated, rewarded appropriately, and have potential for advancement
- taking charge in high priority crises relating to operations
- establishing a culture of best practices for all Company operations

Notwithstanding the foregoing, the President and Chief Executive Officer may from time to time or at any time retain or place any of the foregoing functions under his authority or under the authority of one or more of his other direct reports, provided that no such other direct report shall be responsible for the overall operations of the Company, and any such action on the part of the President and Chief Executive Officer shall not constitute a material reduction or diminution in the level of responsibility, or office of Employee.

Employee shall report to the President and Chief Executive Officer of the Company.

This position will be located in the Lakewood office with frequent travel as required.

Performance is to be based on Board-approved Performance Goals in accordance with the Company's STIP and LTIP, which will be evaluated once per year.